

FEDERAL BUREAU OF INVESTIGATION
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Total Deleted Page(s) = 19
Page 37 ~ Referral/Consult;
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Page 39 ~ Referral/Consult;
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Page 80 ~ Referral/Consult;
Page 93 ~ Referral/Consult;
Page 94 ~ Referral/Consult;
Page 95 ~ Referral/Direct;
Page 96 ~ Referral/Consult;
Page 97 ~ Referral/Consult;
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Page 100 ~ Referral/Consult;
Page 101 ~ Referral/Consult;
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Page 113 ~ Referral/Consult;

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1218233-0

Total Deleted Page(s) = 19
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Page 113 ~ Referral/Consult;

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4/5/62

PLAIN TEXT

TELETYPE

URGENT

TO SAC, EL PASO
FROM DIRECTOR, FBI
BILLIE SOL ESTES, FUG., ET AL, ITSP, MAIL FRAUD,
CONSPIRACY.

IN VIEW OF MAGNITUDE OF THIS FRAUD CASE ITS SOLUTION IS OF UTMOST IMPORTANCE. IMPERATIVE THAT ALL FACETS OF THIS CASE BE PRESSED VIGOROUSLY AND BE AFFORDED THOROUGH AND CONTINUOUS INVESTIGATIVE ACTIVITY. SUFFICIENT MANPOWER MUST BE ASSIGNED TO INSURE COMPLETE COVERAGE OF ALL RAMIFICATIONS OF THIS MATTER. CASE SHOULD BE AFFORDED CLOSE SUPERVISION AND LEADS FOR AUXILIARY OFFICES CLOSELY FOLLOWED FOR PROMPT RESULTS.

CLOSE AND CONTINUOUS LIAISON MUST BE MAINTAINED WITH THE U.S. ATTORNEY'S OFFICE TO CORRELATE ALL INVESTIGATIVE RESULTS IN ORDER TO FACILITATE PROSECUTIVE ACTION. THE BUREAU SHOULD CONTINUE TO BE CURRENTLY ADVISED OF DEVELOPMENTS THROUGH DAILY TELETYPE SUMMARIES. REC-259-28708-36

12 APR 6 1962

EX-116

ELG:imc 168 p. 15 12 b/w es
(7)

NOTE: Case involves a swindle relating to the manufacture and sale of anhydrous ammonia (fertilizer) tanks the proceeds of which will amount to more than \$20 million perpetrated by ~~DEPARTMENT OF JUSTICE~~ and ~~DEPARTMENT OF JUSTICE~~ associates.

COMMUNICATIONS SECTION

APR 5 1962

3 APR 12 1962

MAIL ROOM TELETYPE UNIT

79 100
TELETYPE

F B I

Date: 4/4/62

Transmit the following in _____
(Type in plain text or code)Via AIRTEL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, NEW YORK (87-26066) (RUC)

SUBJECT: BILLIE SOL ESTES-FUGITIVE; ET AL
ITSP-MAIL FRAUD-CONSPIRACY

(OO: EL PASO)

BUDED: 4/16/62

Re El Paso teletype to Baltimore, Chicago,
Los Angeles and NY, 3/26/62; El Paso airtel to
above offices, 3/27/62; Dallas teletype to El Paso,
3/26/62; Dallas teletype to Bureau, 3/29/62 and
El Paso airtel to Bureau, 3/29/62.

Enclosed for El Paso are Photostats of 91
checks payable to Superior Manufacturing Co. Inc.;
Photostats of 17 checks payable to Lubbock Machine
and Supply Co., two copies each of five Photostats
of Chattel Mortgages and eight copies of FD-302
reflecting contact with CIT Corp. of NYC. Enclosed
for Dallas is one copy of above FD-302.

LEAD:DALLAS

REC-25

At Dallas, Texas

3-Bureau (29-28704)
2-El Paso (29-351) (Encls. 126)
2-Dallas (29-1096) (Encl. 1)
1-New York (87-26066)

25 APR. 5 1962

EAS:bfbh
(9)

APR 12 1962

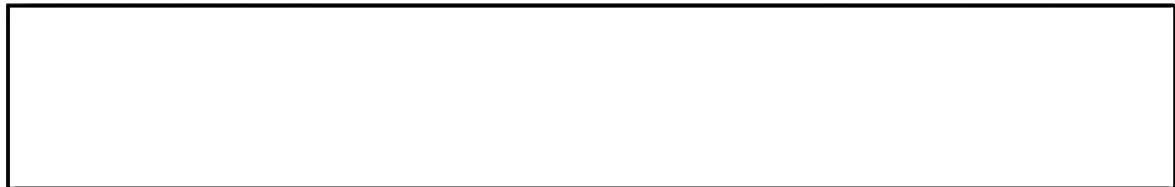
Approved: _____ Sent: _____ M Per: _____

Special Agent in Charge

C. C. Wicks

NY 87-26066

Will contact local office of CIT Corp.
and obtain copies of Chattel Mortgages as previously
requested by NY.



b7D

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 5 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-5-62 5-40 PM MST RAR

TO DIRECTOR, FBI

FROM SAC, EL PASO 29-351/ 1P

BILLIE SOL ESTES, ET AL, ITSP, MAIL FRAUD, CONSPIRACY.

REBURAD TODAY.

AIRTEL TRANSMITTING THREE ZERO TWO ON KRUTILEK INTERVIEW
SUBMITTED IN TODAY-S MAIL. INFORMATION ON HIS INVOLVEMENT
INDICATES NO MORE THAN THAT HE WAS A FINDER AND INVESTIGATION OF
CAR AND EXAMINATION OF CONTENTS BY TWO BUAGENTS INDICATED NOTHING
MORE SINISTER THAN SUICIDE. AGENTS OF COURSE IN MAKING INVESTIGATION
WERE ALERT TO POSSIBILITY OF MURDER BUT POSSIBILITY KRUTILEK MIGHT
HAVE BEEN A DEFENDANT WAS MUCH STRONGER THAN THAT HE MIGHT HAVE
BEEN A GOVERNMENT WITNESS.

END AND ACK PLS

WA 7-42 PM OK VXX FBI WA WS

TU DISC T

REC-32

13 APR 9 1962

b7D

29-28704-38

62 APR 12 1962

F B I

Date: 4/4/62

Transmit the following in

PLAIN TEXT

(Type in plain text or code)

Via AIRTEL

(Priority or Method of Mailing)

Mr. Tolson
 Mr. Belmont
 Mr. Mohr
 Mr. Callahan
 Mr. Conrad
 Mr. DeLoach
 Mr. Evans
 Mr. Malone
 Mr. Rose
 Mr. Sullivan
 Mr. Tavel
 Mr. Trotter
 Tele. Room
 Miss Holmes
 Miss Gandy

TO: DIRECTOR, FBI (29-28704)
 ATTENTION: GENERAL INVESTIGATIVE DIVISION

FROM: SAC, DALLAS (29-1096)(P)

SUBJECT: BILLIE SOL ESTES - FUGITIVE;
 ET AL
 ITSP - MF; CONSPIRACY

OO - EL PASO

Re El Paso airtel to Bureau, 3/29/62; and report of
 SA RAYMOND C. ECKENRODE, 4/3/62, Dallas.

Transmitted herewith to the Bureau and El Paso is
 one set each of newspaper accounts pertaining to this matter
 appearing in the 3/30, 31; 4/1, 2/62, editions of "The Dallas
 Morning News" and "The Dallas Times Herald", daily and Sunday
 newspapers published at Dallas, Texas.

[redacted] For the information of Bureau and El Paso, [redacted] b7D
 [redacted] "The Dallas Times Herald", confidentially
 advised this office on 4/2/62, there is a strong rumor to the
 effect ESTES is an extremely close associate of U. S. Congressman
W. R. POAGE, Waco, Texas. Reportedly, POAGE serves as Chairman
 of the Agriculture Committee of the U. S. House of Representatives.

[redacted] indicated this rumor further alleges ESTES
 is closer to POAGE than he is to U. S. Senator RALPH W. *RE*
YARBOROUGH and that ESTES has extensive contact with POAGE
 in connection with his grain storage activities. [redacted]
 refused to identify the source of these alleged rumors.

3 - Bureau (Enc. 8)
 2 - El Paso (29-351) (Enc. 8)
 2 - Dallas
 RCE:pm
 (7)

[ENCLO. 125th FILE]

REC. 3

29-28704-39

APR 5 1962

Approved: Special Agent in ChargeSent M Per

DL 29-1096

No comment was offered to [redacted] by the Dallas Office with respect to the information provided above by him.

b7D

Investigation continuing.



LYNUM

CODE

4/5/62

TELETYPE
RADIOGRAM *per* [redacted]

URGENT

b6
b7c

TO EL PASO
FROM DIRECTOR, FBI
REURTEL TODAY INDICATING DEATH OF GEORGE KRUTILEK
FROM ASPHYXIATION. YOU ARE INSTRUCTED TO IMMEDIATELY FURNISH
FULL DETAILS CONCERNING CIRCUMSTANCES OF THIS DEVELOPMENT.
FURTHER INFORMATION SHOULD ALSO BE FURNISHED PERTAINING TO
KRUTILEK'S INVOLVEMENT IN THIS MATTER OBTAINED FROM HIS
PREVIOUS INTERVIEW AND OTHER SOURCES, AND WHETHER HE MIGHT
HAVE BEEN IN POSITION TO BE GOVERNMENT WITNESS WHICH WOULD
INDICATE POSSIBILITY DEATH NOT SUICIDE. THE BUREAU IS TO BE
IMMEDIATELY INFORMED OF ALL IMPORTANT DEVELOPMENTS IN THIS
CASE.

REC-53 29-28704-40

EX. - 102

19 APR 9 1962

ELG:jmc
(3)

NOTE: Case involves a swindle relating to the manufacture and sale of anhydrous ammonia (fertilizer) tanks the proceeds of which will amount to more than \$20 million perpetrated by Estes and associates. Information available indicates Krutilek employed by Estes to locate farmers interested in entering the fraudulent scheme. Krutilek was interviewed by Agents 4/2/62, and furnished small amount of info. calculated to minimize his role in the transactions.

APR 9 1962

7-02 Pm
57 APR 13 1962MAIL ROOM TELETYPE UNIT

FBI

7-02 Pm
57 APR 13 1962

NR. 052248	3	5	1
ENC.	6	7	8
CK. (W)	9	0	1
APPROVED BY			

Tolson
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

FEDERAL BUREAU OF INVESTIGATION

Reporting Office EL PASO	Office of Origin EL PASO	Date 4/5/62	Investigative Period 3/6 -> 4/3/62
TITLE OF CASE BILLIE SOL ESTES - FUGITIVE; COLEMAN S. MC SPADDEN - FUGITIVE; HAROLD ORR - FUGITIVE; RUEL ALEXANDER - FUGITIVE		Report made by SA	Typed Env. b6 j b7C
		CHARACTER OF CASE 4-3-62 ITSP - MAIL FRAUD CONSPIRACY	

REFERENCE: Bureau airtel dated 3/20/62.

El Paso airtel to Director dated 3/29/62.

Fugitive form letters re each of four subjects dated 3/29/62.

El Paso apprehension teletype dated 3/29/62.

Dallas apprehension teletype dated 3/29/62.

- P -

ADMINISTRATIVE:

Leads for offices receiving set out by teletype or airtel are not being duplicated in this report. The purpose of this report is to report the predication, process and apprehension. A second report will be submitted by El Paso.

Approved <i>Holz</i>	Special Agent in Charge	Do not write in spaces below	
Copies made		29-28704-41	REC-84
1 - Bureau (29-28704)			
1 - AUSA, El Paso			
3 - Dallas (Info) (26-1096)			
(1 - USA, Dallas)			
1 - Baltimore (Info)			
1 - Chicago (Info) (87-18977)			
1 - Detroit (Info)			
1 - Indianapolis (Info)			
1 - Los Angeles (Info) (87-18971)			
1 - Minneapolis (Info)			
1 - New York (Info) (87-26066)			
5 - El Paso (29-351) FBI			

Property of the Federal Bureau of Investigation, loaned to you by the FBI, and neither it nor its contents are to be distributed outside the agency.

67 APR 30 1962

EP 29-351

at the earliest possible date setting forth detailed material developed. Proposed date of next report will be April 15, 1962.

LEADS:

ALL OFFICES RECEIVING:

Copy for information as investigation pending.

EL PASO:

AT EL PASO, TEXAS:

1. Will report results of Grand Jury action.
2. Will submit report on or before April 15, 1962, covering all investigation conducted to date.

Extra copies of this report are being furnished to the Bureau in view of the probable need for additional dissemination at SOG.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - AUSA, El Paso
1 - USA, Dallas

Report of: SA [redacted]

Office: El Paso

b6
b7C

Date: April 5, 1962

File No.: EP 29-351

Bureau File No.: 29-28704

Title: BILLIE SOL ESTES;
COLEMAN S. MC SPADDEN;
HAROLD ORR;
RUEL ALEXANDER

Character: INTERSTATE TRANSPORTATION OF STOLEN PROPERTY -
MAIL FRAUD, CONSPIRACY

Synopsis: Information received from Pecos and Dallas, Texas sources to the effect that ESTES and MC SPADDEN, through assistance of ALEXANDER and ORR, responsible for generating loan transactions amounting to many millions of dollars with non-existent anhydrous ammonia tanks represented as collateral. ESTES orally indicated he would leave country for Brazil and MC SPADDEN stated he would destroy records of Superior Manufacturing Company, Amarillo, Texas, if criminal action initiated. On authority AUSA [redacted]
El Paso, complaint filed before acting USC [redacted]
by SA [redacted] on 3/29/62 charging all four subjects and the Superior Manufacturing Company with violating Title 18, Section 371, in that they conspired together to violate Section 2314, Title 18, USC. All four subjects arrested 3/29/62 by Bureau agents; ESTES, at Pecos, Texas, where he was immediately afforded hearing before USC RICHARD TOLL and remanded to custody USM in lieu of \$500,000 bond set; MC SPADDEN, at Lubbock, Texas;

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ACR

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

EP 29-351

ALEXANDER and ORR at Amarillo, Texas. Hearing held El Paso 4/2/62 on motion to reduce bail regarding ESTES. Bail reduced to \$100,000. ESTES released from custody USM 4/2/62. Case to be presented to Federal Grand Jury.

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[Redacted Box]
[Redacted Box]
- P -

EP 29-351

DETAILS:

AT PECOS, TEXAS:

Investigation in this matter was predicated upon information received March 6, 1962, from [redacted] b7D
[redacted] Texas. [redacted] stated that in addition [redacted]

[redacted] [redacted] It has been developed that since January, 1959, approximately \$34.5 million dollars worth of ammonia tanks have mortgaged in eleven West Texas counties with Reeves County leading with nearly \$14.5 million in mortgages now filed. He stated that the total number of tanks represented by these mortgages exceeds 33,500 with Reeves County leading with more than 15,500.

[redacted] explained that anhydrous ammonia is used as a fertilizer for growing cotton and other crops; further, that all of the chattel mortgages on file in Reeves County and those in other counties checked are attributable to BILLIE SOL ESTES or one of the various business ventures through which he operates. He said that the bulk of the chattel mortgages filed in this matter showed various cotton farmers and other individuals as the mortgagor. The mortgagee is frequently noted to be the Superior Manufacturing Company, Amarillo, Texas, or one of ESTES' other companies.

[redacted] stated that he had contacted several of the mortgagors whom he had found to be farmers residing in the Pecos area and had learned through these farmers that ESTES or one of his agents approaches the farmer requesting that they sign a chattel mortgage, note and financial statement for the purpose of purchasing ammonia tanks. For this service, ESTES

EP 29-351

gives the farmer 10% of the face value of the note. The signed papers received from the farmer are subsequently filled out at the offices of ESTES in Pecos and thereafter forwarded to the Superior Manufacturing Company, which concern in turn sells the note to one of several finance companies.

[redacted] stated that in his opinion the ammonia tanks purchased in this manner are non-existent.

b7D

[redacted] advised that in his opinion the monies received by ESTES or one of his companies from the purchase of this falsely made paper which is subsequently sold to a finance company, is used in his other business ventures and also to make the necessary monthly payments on the notes. He stated that when ESTES finds that he is running short of funds, he merely repeats the operation in order to obtain the necessary capital to continue his business ventures.

[redacted] said that one of the finance companies involved in this operation is the Pacific Finance Company, home office Los Angeles, California, and that a representative of this company had been in Pecos, Texas, recently making inquiries concerning the location of the ammonia tanks listed in the mortgages accepted by the company.

AT EL PASO, TEXAS:

On March 8, 1962, this matter was discussed with
Assistant United States Attorneys [redacted]
[redacted] at El Paso, Texas.

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[redacted] stated Mr. ESTES' acts, if true, could be in violation of Section 2314, Title 18, United States Code, in that they could possibly lead to the interstate transportation of falsely made, forged, or altered securities; to wit, chattel mortgages or notes. Also to be considered under this section would be the taking by fraud of property or things valued at \$5,000 or more and transporting same in interstate or foreign commerce. [redacted] said that the Mail Fraud statutes,

EP 29-351

Sections 1341 and 1343 of Title 18, might also be considered in this matter.

AT DALLAS, TEXAS:

On March 29, 1962.

[redacted] Pacific Finance Company, with headquarters at Los Angeles, California, and also [redacted] Pacific Finance Company, advised SA RAYMOND C. ECKENRODE that a conference of the many finance companies involved in the purchase of notes and chattel mortgages representing ammonia tanks purportedly sold to individuals in West Texas had held a meeting in Dallas on March 27 and 28, 1962.

[redacted] stated that COLEMAN S. MC SPADDEN owns in excess of 60% of the capital stock of the Superior Manufacturing Company, Amarillo, Texas, and HAROLD ORR, President, and RUEL ALEXANDER, Secretary-Treasurer of Superior Manufacturing Company, were both minority stock holders. At the meeting of the finance companies held in Dallas, ESTES and MC SPADDEN admitted substantially all of the contracts sold by Superior Manufacturing Company involving ammonia tanks to finance companies are wholly fictitious. [redacted]

[redacted] stated that ESTES acknowledged responsibility for an excess of \$20,000,000 worth of contracts discounted, and MC SPADDEN admitted responsibility for an excess of \$2,000,000. At the Dallas conference, ESTES explained that he would have farmers contacted with the story that he needed an unlimited number of ammonia tanks for use in furtherance of his business, but for tax purposes, not feasible to purchase tanks himself because of long-term amateurization. As a tax advantage for ESTES, proposed farmer purchased same in his name and rented them to ESTES under lease arrangement. It was further brought out that the transaction would be an accommodation to ESTES who would accept direct delivery of tanks from Superior and retain same. ESTES would thereafter provide farmer with required monthly payment due under contract and arrange for Superior

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EP 29-351

Manufacturing Company to furnish letter guaranteeing farmer would in no way be held liable for note. ESTES would provide farmer with required down payment on contract and in consideration of accommodation would pay the farmer 10% of the face value of the contract as a bonus. The loan documents would be forwarded the Superior Manufacturing Company at Amarillo, who in turn would discount to any of a number of finance companies with fictitious serial numbers recorded on the mortgage for the anhydrous ammonia tanks. The proceeds of the sale to a finance company would be deposited by the Superior Manufacturing Company to their account and who would retain a portion thereof and disburse the remainder to either ESTES or MC SPADDEN, depending on who generated the paper.

[redacted] also advised that at the meeting it was learned that MC SPADDEN had threatened to burn all records of the Superior Manufacturing Company should any legal action be filed and that access to these records had been denied the finance companies. It was also learned that ESTES purportedly holds a visa to Brazil and threatened if any legal action, either civil or criminal, entertained against him, he would flee to Brazil for asylum.

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AT EL PASO, TEXAS:

On March 29, 1962, the information received from [redacted] at Dallas, Texas, was discussed with Assistant United States Attorney [redacted] who authorized the filing of a complaint charging BILLIE SOL ESTES, HAROLD ORR, RUEL ALEXANDER, COLEMAN MC SPADDEN and Superior Manufacturing Company with violation of Section 371, Title 18, United States Code, in that commencing on or about January 1, 1959, and continuing thereafter until on or about January 31, 1962, in the El Paso Division of the United States District Court for the Western District of Texas, BILLIE SOL ESTES, and others, did conspire with unlawful and fraudulent intent, to transport and cause to be transported, in interstate commerce, falsely made, forged, altered, and counterfeited securities, knowing the same to have been falsely made, altered, counterfeited;

EP 29-351

to wit, chattel mortgages and promissory notes, executed by persons purportedly purchasing or leasing non-existent anhydrous ammonia tanks, which were subsequently discounted and transported and caused to be transported, from Hudspeth County, Texas, to the Pacific Finance Company, Los Angeles, California, in violation of Section 2314, Title 18, United States Code, and that to effect the object of their said conspiracy, they did several acts. These specific acts were listed in the complaint filed.

The complaint authorized and prepared by Assistant United States Attorney [redacted] was filed before acting United States Commissioner [redacted] at El Paso, Texas, Western District of Texas, by SA [redacted] March 29, 1962.

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Assistant United States Attorney [redacted] recommended and acting United States Commissioner [redacted] approved bond of \$500,000 each on ESTES and MC SPADDEN and \$250,000 on ORR and ALEXANDER.

Date April 2, 1962

(Patsy) ~~115~~, BILLIE ~~SOL~~ESTES was apprehended at his residence at 2301 S. Eddy Street, Pecos, Texas.

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Mr. ESTES said he was born January 10, 1925, Gray County, Texas. He is 5'10 $\frac{1}{2}$ " tall, weighs 200 pounds, black hair, blue eyes, wears horn-rimmed glasses. Mr. ESTES said he served in the U. S. Merchant Marines, 1944 - 1945. He has a high school education, graduating from Clyde, Texas High School, 1943. His father is JOHN L. ~~ESTES~~, mother LILLIAN ~~ESTES~~, /

B. A

35

B. APPROX. 1951

He is married. wife - PATSY. residence - 2301 S. Eddy ST Pecos, Texas

On 3/29/62 at Pecos, Texas File # EP 29-351
by SA WILLIAM B. AHDRS and
SA ROY C. DAHL/jlk Date dictated 3/30/62

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EP 29-351

Following arrest, ESTES was immediately afforded a hearing before United States Commissioner RICHARD TOLL at Pecos, Texas. He was remanded to custody of the United States Marshal in lieu of \$500,000 bond.

Subsequently, on March 29, 1962, MC SPADDEN was apprehended by Bureau agents at Lubbock, Texas, and ALEXANDER and ORR were apprehended by Bureau agents at Amarillo, Texas.

On April 2, 1962, Assistant United States Attorney [redacted] advised that a hearing on motion to reduce bail on BILLIE SOL ESTES was had in El Paso on April 2, 1962, and that the court ordered the bail reduced from \$500,000 to \$100,000. [redacted] stated that relatives of BILLIE SOL ESTES had posted this bond and ESTES was released from the El Paso County Jail, where he was being held as a prisoner of the United States Marshal, on the afternoon of April 2, 1962. [redacted] stated that this case would be presented to a Federal Grand Jury [redacted]

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F B I

Date: 4/14/62

Transmit the following in _____
(Type in plain text or code)Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)

FROM: SAC, EL PASO (29-351)

SUBJECT: BILLIE SOL ESTES, ET AL
ITSP-MF, CONSPIRACY

(OO: EL PASO)

Rerept. SA [redacted] dated April 12, 1962 at El Paso.

Following spelling errors noted in reference report: Bureau and offices receiving requested to correct as indicated below. EP copies as well as copy furnished AUSA being corrected.

<u>Page</u>	<u>Para.</u>	<u>Line</u>	<u>As appears</u>	<u>Should be</u>
2	1	16	diget	digit
6	2	18	vourchers	vouchers
41	2	14	additional	conditional
45	2	5	fault	default
46	1	18	cone	gone
47	1	2	when	what
48	3	10	or	on
51	2	18	opeations	operations
52	1	9	concieved	conceived
118	2	5	leasee	lessee
118	2	6	leasor	lessor
124	3	2	moneys	monies

*Corrections
made
4-25-62
in*

3-Bureau (29-28704)
1-Dallas (29-1096)
1-Baltimore (87-7234)
1-Chicago (87-18977)
1-Detroit (87-10266)
1-Indianapolis (87-9632)
1-Los Angeles (87-15971)
1-Minneapolis (87-7949)
1-New York (87-26659)
1-San Antonio (87-10266)
1-El Paso (29-351)

JRM:jrm
(13)

29-28704-
NOT RECORDED
23 APR 17 1962

Approved: JEC by DM Sent _____ M Per _____
Special Agent in Charge
C G a Wick

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 6 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

~~URGENT~~ 4-6-62 7-15 PM MST DRH

~~TO~~ DIRECTOR, FBI "29-28704"

ATTN. GENERAL INVESTIGATIVE DIVISION

FROM SAC, EL PASO "29-351" 2 PAGE

CHANGED, BILLIE SOL ESTES, SUPERIOR MANUFACTURING COMPANY,

ET AL. ITSP DASH MAIL FRAUD, CONSPIRACY, OO, EL PASO, DAILY SUMMARY.

TITLE BEING CHANGED TO ADD SUPERIOR MANUFACTURING COMPANY WHICH CONCERN WAS INCLUDED IN INDICTMENT RETURNED APRIL FIVE LAST.

REMYTEL APRIL FIVE LAST.

INVESTIGATIVE DEVELOPMENTS, AUXILIARY OFFICES CONTACTING FINANCE COMPANIES HAVE BEEN INSTRUCTED TO LIMIT OBTAINING COPIES OF DOCUMENTS CONTAINED IN LOAN PACKAGES TO BELOW LISTED FARMERS. THESE TRANSACTIONS INVOLVE ALL OUT OF STATE FINANCE COMPANIES AND TWO TEXAS FINANCE COMPANIES. CHICAGO HAS COMPLETED THIS INVESTIGATION.

GLENN ALEXANDER DASH TEN TRANSACTIONS

BILLIE SOL ESTES AND BILLIE SOL ESTES ENTERPRISES DASH EXACT
NUMBER TRANSACTIONS NOT DETERMINED
END PAGE ONE.

$$\text{MCT-3} \quad 27 - 28 \overline{)107} = 18$$

REC-44

10 APR 9 1962

62 APR 13 1962

PAGE TWO.

[redacted]
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COLEMAN MC SPADDEN DASH NUMBER TRANSACTIONS NOT KNOWN

[redacted]
THE MATTER OF CERTAIN RECORDS OF SUPERIOR MANUFACTURING
COMPANY, AMARILLO, MENTIONED IN EL PASO TEL APRIL FOUR LAST AND NOT
RECEIVED EL PASO PURSUANT TO SUBPOENA ISSUED, IS BEING TAKEN UP BY

AUSA [redacted]

REPRESENTING MC SPADDEN, ORR AND ALEXANDER.

[redacted]
b7D

3&\$ AND ACK PLS

WA 9-22 PM OK FBI WA WS

TU DISC

WU 2 10 05 AM '65

WU

10-351-10-24-7
10-351-10-24-7
BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 7 1962
TELETYPE

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

URGENT N4-7-62 7-10 PM MST DRH

TO DIRECTOR, FBI "29-28704"

ATTN, GENERAL INVESTIGATIVE DIVISION

FROM SAC, EL PASO "29-351"

BILLIE SOL ESTES, SUPERIOR MANUFACTURING COMPANY, ITSP DASH MAIL
FRAUD, CONSPIRACY OO EL PASO.

DAILY SUMMARY.

REMYTEL APRIL SIX LAST.

INVESTIGATIVE DEVELOPMENTS, AUSA [REDACTED] EL PASO HAS CONTACTED b6
[REDACTED] b7C

[REDACTED] SUBJECTS ORR AND ALEXANDER

RE CERTAIN RECORDS OF SUPERIOR MANUFACTURING COMPANY NOT RECEIVED
PURSUANT TO SUBOENA. [REDACTED] STATES WILL HAVE REPRESENTATIVE OF
SUPERIOR MANUFACTURING COMPANY BRING RECORDS TO EL PASO APRIL TEN NEXT.

TANK INSPECTORS FOR SUPERIOR MANUFACTURING AND LUBBOCK MACHINE
AND SUPPLY BEING INTERVIEWED RE TANK PRODUCTION THESE TWO CONCERN
DURING PERTINENT PERIOD. . . .

REG-9 29-28704 43
MISC. ACTIONS ON PART OF SUBJECTS DASH NEWSLETTERS AT LUBBOCK
REVEALS MC SPADDEN FILED PETITION IN BANKRUPTCY AND RECEIVER APPOINTED
APRIL SIX LAST. ARTICLE NOT CLEAR AND MAY REFER TO AN ARRANGEMENT.

AUSA [REDACTED] ADVISED SEVERAL OF ESTES ATTORNEYS IN COURT HOUSE THIS
MORNING AND BELIEVED TO BE FILLING PETITION FOR AN ARRANGEMENT UNDER
CHAPTER ELEVEN, HOWEVER, NOT CERTAIN OF THIS AS YET. STATE AG OFFICE

PAGE TWO

INTENDS TO HOLD COURTS OF INQUIRY AT AMARILLO AND PLAINVIEW NEXT WEEK TO REVIEW FINANCIAL AFFAIRS OF ESTES AND CONSIDER POSSIBLE ANTITRUST ACTION.

ARRANGEMENT DATE NOT SET.

PENDING SIGNIFICANT DEVELOPMENT, NEXT DAILY SUMMARY WILL BE SUBMITTED APRIL NINE NEXT.

END AND ACK PLS

WA 9-18 PM OK FBI WA NH

TU D

APR 19 1950

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F B I

Date: 4/5/62

Transmit the following in

PLAIN TEXT

(Type in plain text or code)

Via AIRTEL

AIR MAIL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-38794) *Crosby*

FROM: SAC, EL PASO (29-351)

RE: BILLIE SOL ESTES; ET AL
ITSP; MAIL FRAUD; CONSPIRACY
(OO: El Paso)

Re El Paso tel to Bureau April 5, 1962, concerning the death of GEORGE A. KRUTILEK, believed by Sheriff's Office investigators to be a possible suicide, which occurred subsequent to his interview in the El Paso Office in connection with the captioned matter on April 2, 1962.

For the additional information of the Bureau, there are enclosed herewith two copies of the FD-302 covering the interview with Mr. KRUTILEK by ASAC JACK C. SPENCER and SA EDWARD JOSEPH MURPHY on April 2, 1962, at El Paso, Texas.

CROSBY

3 - Bureau (Enc. 2)
1 - El Paso

JCS/jlk (4)

ENCLOSURE

REC-44

EX-102

APR 7 1962

SIX

Approved *DD-10-106-08* Sent _____ M Per _____
Special Agent in Charge

Date April 5, 1962

Mr. GEORGE ANDREW KRUTILEK personally appeared for interview at the El Paso Office of the FBI. At the outset of the interview he was advised of the identities of JACK C. SPENCER and EDWARD JOSEPH MURPHY as Special Agents of the Federal Bureau of Investigation. He was advised that any information he chose to give would be entirely voluntarily and could be used against him in a court of law. He was told that he had the right to consult an attorney of his own choice if he so desired. He was advised and he acknowledged that he fully understood that no threats or promises had been made to induce him to make any statement.

He stated that he was a long-time resident of El Paso and a graduate of high school and college, both in El Paso. He said that his business consisted of keeping books and records and filing Federal income tax returns for farmers in El Paso, Hudspeth, Culberson, and Reeves Counties. He said that he had specialized in this type of work for approximately twenty-five years. Mr. KRUTILEK claimed that he first became acquainted with a plan involving the purchase of anhydrous ammonia tanks when he was keeping the books of the W. J. Worsham Enterprises of Pecos, Texas. He said that this would have been sometime in the late fall of 1959. In conversation with [redacted] and his employees he said that he learned that BILLIE SOL ESTES needed anhydrous ammonia tanks, that he had reached the limit of his own credit, and as a result proposed to use the credit of farmers toward the purchase of tanks. He further said that his understanding of the plan pieced together by the above-mentioned conversations was that BILLIE SOL ESTES would agree to lease as many tanks from an individual farmer as that farmer's credit standing would enable him to buy from the Superior Manufacturing Company of Amarillo, Texas; that BILLIE SOL ESTES would provide the funds necessary to cover a down payment on the tanks purchased by a farmer

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On 4/2/62 at El Paso, Texas File # EP 29-351
by ASAC JACK C. SPENCER / clp 29-28704-44 Date dictated 4/4/62
SA EDWARD JOSEPH MURPHY

ENCLOSURE

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

EP 29-351

and, in addition, would pay the farmer an amount approximately ten per cent of the amount financed by the farmer on the tank purchase. He stated that this would approximate roughly eighty per cent of any particular deal involved. He advised that he learned that the lease agreement executed by BILLIE SOL ESTES with the farmer purchasing tanks agreed to pay the farmer a sum equal to the monthly payments which would be due on the unpaid balance owing on the tanks and further that such lease payments would be made ahead of the time the farmer's payment would be due to the finance company. He further advised that this lease agreement contained a provision that with the payment of "1.00 and other considerations" the title to the tank would revert to BILLIE SOL ESTES on the completion of the payments owed by the farmer.

Mr. KRUTILEK stated that it was his further understanding that the operation of this plan would include a tax savings to both the farmer and BILLIE SOL ESTES. He explained his understanding of the tax saving as follows:

The farmer would be entitled as the owner of the tanks to take a depreciation allowance on each tank over an agreed period as to the life of such an asset and that this depreciation allowance would be deductible from the farmer's income thus representing a tax saving to the farmer in addition to the amount he would receive from BILLIE SOL ESTES for the use of his credit. With respect to BILLIE SOL ESTES, the tax saving would be the expense of the lease of each tank by BILLIE SOL ESTES from the farmer which could be deducted from the BILLIE SOL ESTES Enterprises' income as a direct operating expense. He said that as a bookkeeper and as a person having filed income tax returns for others he was interested to determine if this plan was legal and as a consequence discussed it with [redacted] Internal Revenue Service stationed at Pecos, Texas. According to Mr. KRUTILEK [redacted] advised him that it was perfectly legal for both the farmer to take depreciation and BILLIE SOL

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EP 29-351

ESTES to take the lease payments as an operating expense and for both to deduct these items from their income. Mr. KRUTILEK said that because many of the farmers, including the above-mentioned W. J. Worsham Enterprises at Pecos, Texas, whose books he kept, were interested in and/or made deals of the above-mentioned nature with the Billie Sol Estes Enterprises, his work was greatly increased. He explained this by stating that it was necessary for him to make a good many extra financial statements at times which he would not normally be preparing them for tax purposes and do other bookkeeping work which was not done by him in the normal course of his business. He felt he was entitled to additional money to recompense him for his services and in some cases for out-of-the-pocket expenses for supplies and such things as telephone and mailing costs. Consequently, he said he approached both the farmer and BILLIE SOL ESTES in an effort to get reimbursed. In the case of [redacted] Mr. KRUTILEK stated he finally received a check for \$500 from BILLIE SOL ESTES with a note attached to the check indicating that [redacted] had agreed to pay him \$250 and he (BILLIE SOL ESTES) was adding \$250, making up the total of \$500 to recompense Mr. KRUTILEK for extra work.

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He recalled that the following individuals whose books he kept were involved with BILLIE SOL ESTES in the purchase of tanks:

EP 29-351

With respect to the above individuals Mr. KRUTILEK refused to state whether he had introduced the subject of the BILLIE SOL ESTES tank deal to his clients and responded to the question that it was common knowledge that such a deal existed among all of the farmers in this West Texas area and because of his relationship as a bookkeeper they naturally asked him questions about it which he answered to the best of his knowledge. He stated that any questions he was unable to answer were handled by him with the suggestion that they get in touch with BILLIE SOL ESTES direct. He said that in the acceptance of tank deals with BILLIE SOL ESTES by the above-mentioned individuals his work had greatly increased and as a result he asked for and obtained money for this extra time and expense from the Billie Sol Estes Company. He refused to say how much he received and denied that there was any percentage or fixed amount involved. He denied that he was in any way a salesman for or an agent for BILLIE SOL ESTES in negotiating tank deals.

When specifically asked he admitted that he had taken chattel mortgage papers, a promissory note, and other papers, not specified, to [redacted] Texas, for the purpose of having [redacted] negotiate the purchase of anhydrous ammonia tanks from Superior Manufacturing Company of Amarillo, Texas, which tanks were to be leased to BILLIE SOL ESTES. He was vague as to why he was chosen to conduct this negotiation and finally declined to answer any further questions, stating that he desired to consult an attorney before so doing. He said that after consulting an attorney for advice he would recontact the FBI Office for the purpose of giving additional information and possibly a signed statement. He had not recontacted the FBI Office as of April 4, 1962.

The following is a description obtained from observation and interrogation:

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EP 29-351

Name	GEORGE ANDREW KRUTILEK
Age	49 or 51
Born	October 30, 1910 or October 30, 1912 at Alma, Texas (Mr. KRUTILEK said he had never resolved the difference in birth dates occasioned by disagreements as to this date on the part of members of his family now deceased.)
Height	5'9 $\frac{1}{2}$ "
Weight	205 lbs.
Build	Heavy, stocky
Eyes	Blue - green
Hair	Gray, butch cut, partially bald
Marital status	Married
Wife	[Redacted]
Children	[Redacted]
Son	[Redacted]
Daughter	[Redacted]
Occupation	Bookkeeper
Residence address	[Redacted]
Telephone	[Redacted] (Business is operated from residence).

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GENERAL INVESTIGATIVE DIVISION

DA 4-6-62

This case involves a multimillion dollar fraud perpetrated through mortgaging nonexistent anhydrous ammonia (fertilizer) tanks. Estes, the principal subject, allegedly is personally acquainted with Government officials.

Incoming shows that a Grand Jury has returned a true bill of indictment against Estes, three of his associates and a company controlled by Estes.

Incoming also refers to the suicide of one George Krutilek. Krutilek was a "finder" for Estes who located farmers willing to enter into the fraudulent scheme. All investigation of the Krutilek death indicates suicide.

Abt

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 5 1962

TELETYPE

URGENT 4-5-62 2-47 PM MST IJP

TO - DIRECTOR, FBI "29-28704" ATTN - GENERAL INVESTIGATE
AND SAC, DALLAS "29-1096"

FROM - SAC, EL PASO "29-351" 3-PAGES

BILLIE SOL ESTES, FUG., ET. AL., ITSP - MAIL FRAUD, CONSPIRACY.

DAILY SUMMARY.

REMYTELS APRIL FOUR, LAST, AND APRIL FIVE, INSTANT.

BUREAU WAS ADVISED IN REFTEL TODAY OF THE APPARENT SUICIDE OF
GEORGE KRUTILEK, A FINDER.

PROSECUTIVE DEVELOPMENTS -

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THE

GRAND JURY RETURNED A TRUE BILL OF INDICTMENT. THE INDICTMENT CONSISTS OF TWELVE PAGES AND EIGHT COUNTS CHARGING ESTES, MC SPADDEN, ALEXANDER, ORR, AND THE SUPERIOR MANUFACTURING COMPANY. A SUMMARY OF THE COUNTS IS AS FOLLOWS -

COUNT ONE, THAT PRIOR TO JANUARY ONE, NINETEEN SIXTY, AND CONTINUING UNTIL ON OR ABOUT MARCH FIVE, LAST, DEFENDANTS DEVISED AND INTENDED TO DEVISE A SCHEME AND ARTIFICE TO DEFRAUD APPROXIMATELY ONE HUNDRED PERSONS IN TEXAS INCLUDING PERSONS IN THE EL PASO AND PECOS DIVISIONS OF THE WESTERN DISTRICT OF TEXAS AND TO OBTAIN MONEY AND PROPERTY BY MEANS OF THE FOLLOWING FALSE PRETENSES. THE COUNT THEN RELATES THE SCHEME. THE SPECIFIC MAIL FRAUD VIOLATION IN THIS COUNT

END PAGE ONE

57 APR 17 1962 *[Signature]*

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

EX 101

68 APR 10, 1962

PAGE TWO

IS THAT ESTES CAUSED A LETTER TO BE MAILED TO J. J. TABER, FARMER AT VAN HORN, TEXAS.

SECOND COUNT, ALSO MAIL FRAUD, REPEATS THE ALLEGATION IN THE FIRST COUNT, CHANGES THE LAST PARAGRAPH TO INCLUDE MAILING A LETTER TO GENE WELLS, SIERRA BLANCA, TEXAS.

THE THIRD COUNT, ALSO MAIL FRAUD PAREN ALL THREE ARE THIRTEEN FORTYONE PAREN CHARGES CORRESPONDENCE BY MAIL WITH THE DAN DANIEL REBPONENPAREN CHARGES DXXXXXXMXXXXMXXXX

CHEMICAL CO., FABENS, TEXAS.

INTERSTATE TRANSPORTATION OF STOLEN PROPERTY
THE FOURTH COUNT IS ITSP, SECTION TWENTYTHREE FOURTEEN, AND CHARGES THAT DEFENDANTS TRANSPORTED AND CAUSED TO BE TRANSPORTED A PROMISSORY NOTE AND CHATTEL MORTGAGE EXECUTED BY JIM MC CORMAC DATED NOVEMBER TWENTYONE LAST FROM EL PASO, TEXAS, TO LOS ANGELES, CALIF., HAVING A VALUE OVER FIVE THOUSAND DOLLARS. PAREN (ACTUAL VALUE FIFTY-NINE THOUSAND, FIVE HUNDRED TWENTY DOLLARS.) PAREN.

Section
FIFTH COUNT, SAME UNDER TWENTYTHREE FOURTEEN, SPECIFIC FALSELY MADE SECURITY BEING PROMISSORY NOTE AND CHATTEL MORTGAGE EXECUTED BY GENE WELLS IN SIERRA BLANCA FROM SIERRA BLANCA TO LOS ANGELES, CALIF., HAVING A VALUE IN EXCESS OF FIVE THOUSAND DOLLARS PAREN (AMOUNT OF NOTE SEVENTYEIGHT THOUSAND, EIGHT HUNDRED SIXTYFOUR DOLLARS.) PAREN.

END PAGE TWO

~~CORRECTION PAGE TWO PARA THREE LINE TWO IT SHOULD BE~~

~~FORTYONE PAREN CHARGES CORRESPONDENCE BY MAIL WITH THE DAN DANIEL~~

PAGE THREE

COUNT SIX IS SECTION THREE SEVENTYONE, CONSPIRACY TO COMMIT THE
VARIOUS OFFENSES AGAINST THE U. S. SET OUT IN THE FIRST FIVE COUNTS
IN THIS INDICTMENT. TO EFFECT THE OBJECT OF THEIR SAID CONSPIRACY
THEY COMMITTED SOME FIFTYSEVEN OVERT ACTS WHICH NAME ALL THE DEFEND-
ANTS, SUPERIOR MANUFACTURING CO., ALMOST ALL THE FINANCE COMPANIES, AND
SEVEN FARMERS.

THE SEVENTH COUNT, ALSO CONSPIRACY, SECTION THREE SEVENTYONE,
CHARGES DEFENDANTS CONSPIRED TO TRANSPORT IN INTERSTATE COMMERCE FALSELY
MADE, ETC., SECURITIES, NAMELY THE MORTGAGES AND PROMISSORY NOTES FROM
NUMEROUS COUNTIES IN TEXAS TO THE CITIES WHERE THE FINANCE COMPANIES
ARE LOCATED. THIS COUNT REPEATS ALL OF THE OVERT ACTS IN SIX.

EIGHTH COUNT, CHARGES CONSPIRACY TO TRANSPORT SECURITIES OF A
VALUE IN EXCESS OF FIVE THOUSAND DOLLARS INTERSTATE AND THE PARTICULAR
SECURITIES CHARGED IN THIS COUNT ARE THE CHECKS WHICH THE FINANCE
COMPANIES DREW AND SENT INTO TEXAS.

GRAND JURY RETURNED THIS INDICTMENT AT TWO THIRTYFIVE PM, MST.
BOND CONTINUED.

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END AND ACK PLS

A. 50-///, 501 PM OK FBI WA JDS

DL OK FBI DL JVW

TU-DISCV 32-1161

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CC-MR. ROSEN

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4525 1/1/1968

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Fort Worth, Texas
1 - AUSA, El Paso, Texas

Report of: RAYMOND C. ECKENRODE Office: DALLAS
Date: April 3, 1962

Field Office File No.: DALLAS (29-1096) Bureau File No.: 29-28704

Title: BILLIE SOL ESTES;
COLEMAN DELBERT McSPADDE;N;
HAROLD EUGENE ORR;
RUEL WADE ALEXANDER

Character: INTERSTATE TRANSPORTATION OF STOLEN PROPERTY -
MAIL FRAUD; CONSPIRACY

Synopsis: [redacted] Pacific Finance Co.,
Los Angeles, California, [redacted] for said
company, interviewed at Dallas, Texas, 3/28/62. They advised
in series of interviews had with BILLIE SOL ESTES, Pecos, Texas,
and COLEMAN McSPADDE, Lubbock, Texas, majority stockholder in
Superior Manufacturing Co., Amarillo, Texas, (Superior), in
late February and early March, 1962, ESTES and McSPADDE each
acknowledged responsibility for creation of fraudulent conditional
sales contracts discounted with major finance companies through
Superior. ESTES and McSPADDE admitted generating contracts
of this type aggregating in excess of 20 million dollars and
2 million dollars respectively. Contracts involved represented
purported sales of anhydrous ammonia tanks by Superior to
farmers and firms in west Texas area. Contracts in question
bear assignments to finance companies by Superior over signa-
tures of HAROLD E. ORR and RUEL ALEXANDER, as President and
Secretary-Treasurer respectively. Authorized complaint filed
El Paso, Texas, 3/29/62, by SA [redacted] charging ESTES,
McSPADDE, ORR and ALEXANDER with conspiracy to violate Section
2314, Title 18, USC. AUSA, El Paso, recommended bond of
\$500,000 each on ESTES and McSPADDE and \$250,000 each as to
ORR and ALEXANDER. McSPADDE arrested by Bureau Agents,
Lubbock, Texas, 3/29/62, arraigned immediately before USC,
Lubbock, Texas, who reduced bond from \$500,000 to \$250,000,
and was remanded custody USM at Lubbock County Jail in lieu
of bond. ORR and ALEXANDER apprehended by Bureau Agents
Amarillo, Texas, 3/29/62, afforded immediate hearing and
remanded to custody USM at Potter County Jail, Amarillo, in
lieu of \$250,000 bond each. On 3/30/62, subpoena duces tecum

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[redacted]

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DL 29-1096

before FGJ, El Paso, Texas, [redacted] On authorization of AUSA, El Paso, bonds of McSPADEN, ORR and ALEXANDER reduced to \$25,000 each. Reduced bonds posted by McSPADEN, 3/30/62, and by ORR and ALEXANDER on 3/31/62, and each released from custody with bonds returnable USDC, El Paso, instanter. Details of complaint filed by Pacific Finance Company in USDC, Amarillo, Texas, 3/30/62, against subjects and Superior, as well as details of restraining order issued by court same date as result of said suit set out. [redacted]

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DETAILS:

AT DALLAS, TEXAS

Date April 3, 1962

[redacted] Pacific Finance
 Company, Inc., 621 South Hope Street, Los Angeles,
 California, [redacted] Irion, Cain, Cocke
 and Maree, Attorneys-at-Law, the Dallas, Texas, [redacted]
 [redacted] were contacted at the offices of
 the law firm. Suite 839, Mercantile National Bank Building.

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[redacted] stated they would be unable to submit to detailed interview at this time, claiming it was imperative they both attend a conference in progress on this date at which representatives of various finance companies were exploring allegations of fraud in connection with contracts discounted with said companies by Superior Manufacturing Company (Superior), Amarillo, Texas. The contracts in question purportedly related to anhydrous ammonia tanks manufactured and sold by Superior under conditional sale contracts to farmers and ranchers in the west Texas area, which contracts were in turn sold or discounted by Superior to major finance companies throughout the United States.

[redacted] advised the basis and background for the conference being held in Dallas was briefly as follows:

In early February, 1962, Pacific Finance Company, as well as other finance companies, received allegations to the effect that the conditional sales contracts purchased from Superior were fictitious and fraudulent transactions, and that the individual farmers and ranchers, and others, whose names appeared as the purported purchasers of the ammonia tanks being financed, had merely signed instruments as an accommodation to BILLIE SOL ESTES of Pecos, Texas.

According to [redacted] the conditional sales contracts above mentioned constituted promissory notes and chattel mortgages on the equipment (ammonia tanks) described thereon, and each contained an assignment with recourse by Superior to the finance company discounting the transaction.

On 3/28/62 at Dallas, Texas File # DL 29-1096
EP 29-351
 by SA RAYMOND C. ECKENRODE/pm Date dictated 4/2/62

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

COLEMAN McSPADDEN, according to [redacted] owns in excess of 60 per cent of the capital stock of Superior, is a resident of Lubbock, Texas, and conducts business from offices located at Hereford, Texas. In addition to his holdings in Superior, McSPADDEN also controls and operates the Associated Growers, Hereford and Wildorado, Texas; McSpadden Grain Company, Lubbock, Texas; and Tucumcari Grain Company, Tucumcari, New Mexico. They said HAROLD E. ORR, a resident of Amarillo, Texas, serves as President, and RUEL ALEXANDER, also of Amarillo, Texas, serves as Secretary-Treasurer of Superior, and each is a minority stockholder in the company.

[redacted] said in late February and early March, 1962, they had a series of meetings with BILLIE SOL ESTES and COLEMAN McSPADDEN and the latter's attorneys, Nelson and Nelson, Lubbock, Texas. During the course of these meetings, ESTES and McSPADDEN admitted that substantially all of the sales contracts covering ammonia tanks sold to Pacific Finance Company and other finance companies were wholly fictitious. ESTES acknowledged he was responsible for generating contracts of this nature aggregating in excess of 20 million dollars, and McSPADDEN admitted he was responsible for contracts in excess of 2 million dollars. [redacted] pointed out the contracts in this category as identified by ESTES and McSPADDEN bore signatures of individuals and firms as the purported purchasers of the tanks covered, and alternately carried the signatures of ORR and ALEXANDER as officers of Superior, the seller of the tanks. The signatures of ORR and ALEXANDER also appeared alternately on the instruments on behalf of Superior as assignee of the contracts to the finance companies.

In these meetings, ESTES claimed he conceived the scheme in question in connection with a business venture involving sale of anhydrous ammonia, and used the funds derived from the fraudulent transactions in the furtherance and expansion of his grain storage business. ESTES reportedly followed a practice of supplying a majority of the farmers and ranchers in west Texas with anhydrous ammonia for fertilizing for a price at, or below, cost. In addition,

ESTES would purchase or otherwise arrange for the purchase of the grain harvested by these farmers for resale to the Government and ultimate storage in grain elevators owned by him (ESTES).

In creating a fictitious transaction, ESTES would have an employee or agent contact a farmer or rancher with the proposition that ESTES was in need of an unlimited supply of anhydrous ammonia tanks of the type manufactured by Superior, which tanks ESTES would use in his grain business. Supposedly ESTES did not want to purchase the tanks himself since to do so he would be required to amortize the cost of same over an extended period and consequently such procedure would not be feasible for tax purposes. As a tax advantage to ESTES, however, it was proposed that the farmer purchase the tanks in his name and in turn rent them to ESTES under a lease arrangement, thereby allowing ESTES to charge off the rental fee in total as a cost of operation. As a further incentive to the farmer, it was stated to him that ESTES would pay the required down payment of 10 or 20 per cent against the sales price of the tanks; that ESTES would arrange for the tanks to be delivered directly to the location where they were to be used by ESTES; that approximately seven days prior to the monthly installment date on the note ESTES would furnish to the farmer the amount of payment required each month for forwarding by the farmer to the finance company; that ESTES would arrange for a letter to be furnished the farmer by Superior which would absolve the farmer of any liability under the sales contract or for the tanks should the note ever be placed in default; and in consideration of this accommodation to ESTES, the farmer would be paid in cash by ESTES an amount equal to 10 per cent of the sales contract as a bonus.

The spurious sales contract would then be delivered to Superior who in turn would discount same with one of the finance companies. The instrument would recite the number of tanks covered by the sale with fictitious serial numbers listed thereon for them. Proceeds of the transaction as disbursed by the finance company would be deposited to the account of Superior who retained an amount equal to the

DL 29-1096

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profit the company would have realized had the tanks actually existed and been sold. The balance would then be disbursed to ESTES by Superior, exact method not known.

According to [redacted] in their discussions with McSPADDEN he informed [redacted] originated the fraudulent transactions attributable to him in precisely the same manner followed by ESTES.

ESTES and [redacted] said during these meetings both various credit instruments relating to the transactions would be forwarded by mail, or in some cases delivered by hand, to the appropriate offices of the finance companies outside the State of Texas. [redacted] further advised that despite the prior admissions made by ESTES and McSPADDEN in the above meetings concerning the fraudulent character of the transactions, both were standing mute to questions concerning same at the current conferences in Dallas, which each is attending.

[redacted] advised a large number of the transactions involved are presently in default with the finance companies who hold the paper.

ESTES, according to [redacted] exercises considerable influence in the Democratic Party, is a close personal friend of Vice President LYNDON B. JOHNSON, Senator RALPH YARBOROUGH, and many top officials in the Department of Agriculture.

[redacted] stated at one point during the initial meetings held with him, ESTES claimed he was instrumental in the appointment of the present United States Ambassador to Brazil. ESTES claimed he holds a current visa to Brazil and threatened that if the finance companies entertained any legal action, either civil or criminal, against him, it was his intent to flee to Brazil and seek asylum.

[redacted] further stated during these same meetings, McSPADDEN, either directly or through his attorney, made the statement that the records of Superior would be burned if legal action was instituted. [redacted] noted the finance companies have been denied access to these records.

INSTRUCTIONS: This form is to be removed from file by a Filing Unit employee only upon the return of the item.

Subject	Date of Mail
<input type="checkbox"/> Report	
<input type="checkbox"/> Incoming letter	
<input type="checkbox"/> Outgoing letter	
<input type="checkbox"/> Memorandum	
<input type="checkbox"/> Airtel	
<input type="checkbox"/> Teletype	
<input type="checkbox"/> Enclosure (describe)	
<input type="checkbox"/> Laboratory Work Sheet	
<input type="checkbox"/> Personnel Security Questionnaire (PSQ)	
<input type="checkbox"/> Loyalty Form	
<input type="checkbox"/> Other (describe)	

Removed for	Removed by	Date of Removal
<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> Room <i>Mr. C. D. DeLoach</i>	<i>cons. unit (wh)</i>	<i>1/13/64</i>

Reason for Removal

For copying (If for another agency, list agency and date of request.)

To send to

Director's office

To attach to

b6

For office use

b7C

For change to another file

Other (Specify)

*For any questions concerning
this item, contact*

[redacted] pointed out that at the time the above admissions were made by ESTES and McSPADDEN as to their involvement in the creation of the fraudulent transactions, it was agreed with ESTES, McSPADDEN and their attorneys that he [redacted] would not use or testify to the information given if subsequent criminal action was filed. [redacted] stated, however, in his opinion this agreement did not prohibit his furnishing the information for investigative assistance to law enforcement authorities, but emphasized he considered the information as received to be privileged and, therefore, would not testify to the admissions made by either in his presence.

DL 29-1096

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The El Paso Division advised on March 29, 1962, that on authority of Assistant United States Attorney [redacted] Western District of Texas, El Paso, Texas, a complaint was filed on March 29, 1962, by SA [redacted] before Acting United States Commissioner [redacted] Western District of Texas, El Paso, charging BILLIE SOL ESTES, COLEMAN McSPADDEN, HAROLD E. ORR and RUEL ALEXANDER with conspiracy to violate Section 2314, Title 18, United States Code. The overt act charged in the complaint alleged on or about October 15, 1961, the subjects conspired to transport and cause to be transported in interstate commerce from Hudspeth County, Texas, to Los Angeles, California, a certain chattel mortgage knowing said chattel mortgage was falsely made, forged, altered and counterfeited. Assistant United States Attorney [redacted] recommended bond of \$500,000.00 each for ESTES and McSPADDEN and \$250,000.00 each for subjects ORR and ALEXANDER.

AT AMARILLO, TEXAS

Date April 3, 1962b6
b7C

HAROLD EUGENE ORR was arrested at 3403 Sunlite Street, Amarillo, Texas, at approximately 7:10 p.m., by SAs WILLIAM R. JENKINS, [redacted]

[redacted] He was placed in Bureau car and transported to the home of RUEL W. ALEXANDER, 3428 Marion Street, where ALEXANDER was placed under arrest at approximately 7:35 p.m., by SAs WILLIAM R. JENKINS [redacted]

[redacted] They were both transported to the Resident Agency of the FBI in the Federal Building where they were arraigned before United States Commissioner J. L. BAGWELL at approximately 8:20 p.m.

At the hearing before the United States Commissioner, ALEXANDER and ORR waived preliminary hearing and were committed to the custody of the United States Marshal at the Potter County Jail, Amarillo, Texas, in lieu of \$250,000.00 each. Both ALEXANDER and ORR were booked into the County Jail at Amarillo, Texas, by SAs [redacted] at approximately 8:55 p.m., on this same date.

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On 3/29/62 at Amarillo, Texas File # DL 29-1096
 by SAs WILLIAM R. JENKINS [redacted] Date dictated 3/30/62
7 pm EP 29-351

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Date April 3, 1962

RUEL WADE ALEXANDER, 3428 Marion Street, was interviewed at the Amarillo Resident Agency, at which time he was advised he did not have to make any statement, either written or oral, and that any statement he might make could be used against him in a court of law. He was advised that he had the right to talk with an attorney before making any statement. No threats or promises of reward were made to ALEXANDER to cause him to make a statement.

ALEXANDER advised he did not desire to make any statement concerning his activities or connections with the Superior Manufacturing Company, located at 4110 Northeast Eighth Avenue, Amarillo, Texas.

The following physical description of ALEXANDER was obtained at the time of interview:

Name	<u>AM. RUEL WADE ALEXANDER</u>	
Race	White	
Sex	Male	
Age	36	
Birth Data	7/5/25, Dodson, Texas	
Height	6'	
Weight	170	
Build	Medium	
Hair	Light brown (flattop)	
Eyes	Blue	
Complexion	Fair	
Wife		
Children		
Residence		
Scars and Marks	Appendectomy	
Education	High school, one-half year college, Amarillo Center, West Texas State College - Accounting.	
Arrest	None	
Military	U. S. Navy, serial No. 9394947, from June, 1944, to May, 1946, honorable discharge.	

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On 3/29/62 at Amarillo, Texas File # DL 29-1096
 by SAS WILLIAM R. JENKINS/pm Date dictated EP 29-351
3/30/62

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Date April 3, 1962

HAROLD EUGENE ORR was interviewed at the Amarillo Resident Agency, at which time he was advised he did not have to make any statement, either oral or written; that any statement he might make could be used against him in a court of law; and that he was entitled to consult with an attorney prior to making any statement. No threats or promises were made to influence ORR to furnish a statement.

ORR stated he had no desire, nor did he intend, to discuss in any way his activities or connection with Superior Manufacturing Company, 4110 Northeast Eighth Avenue, Amarillo, Texas.

The following is a description of ORR obtained from interview and observation:

Name	<u>MR. HAROLD EUGENE ORR</u>	
Race	White	b6
Sex	Male	b7C
Nationality	American	
Birth Data	11/12/30, Corum, Oklahoma	
Height	6'1 3/4"	
Weight	228	
Build	Heavy	
Complexion	Ruddy	
Hair	Brown	
Eyes	Blue	
Scars and Marks	Appendectomy scar	
Occupation	President, Superior Manufacturing Company, Amarillo, Texas	
Education	Graduate of Amarillo High School, 1948	
Marital Status	Married	
Military Service	None	
Prior Arrests	1953, Amarillo, Texas, embezzlement, 2 years probation	
Parents	Mr. and Mrs. ORVAL J. ORR, 3612 Sunlite, Amarillo, Texas	
Brother		
Wife		
Children		

On 3/29/62 at Amarillo, Texas File # DL 29-1096
 by SAS [redacted] WILLIAM R. JENKINS/pm Date dictated 3/29/62
EP 29-351

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Date April 3, 1962

b3

At approximately 12:22 p.m., Central Standard Time,
a subpoena duces tecum issued by United States District Court
for the Western District of Texas, El Paso Division, addressed

On 3/30/62 at Amarillo, Texas File # DL 29-1096
EP 29-351
by SA WILLIAM R. JENKINS/pm Date dictated 4/1/62

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Date April 3, 1962b6
b7C

[redacted] Fisk Medical and Professional Building, advised that at about 4 p.m., on March 30, 1962, he had filed an application for writ of habeas corpus in behalf of his client, HAROLD E. ORR, in the United States District Court at Amarillo, Texas. He advised United States District Judge JOSEPH B. DCOLEY, as result of the above application, had ordered United States Deputy Marshal to produce ORR in United States District Court at 10 a.m., on April 3, 1962, for the purpose of a hearing on this application.

[redacted] advised his application for writ alleged that there was no valid warrant of arrest at time of the arrest of his client and that his client was being held under excessive bail.

On 3/30/62 at Amarillo, Texas File # DL 29-1096
EP 29-351
by SA WILLIAM R. JENKINS/pm Date dictated 4/1/62

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DL 29-1096

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[redacted] On authority of Assistant United States Attorney
Western District of Texas, El Paso,
bonds previously set for subjects ALEXANDER and ORR were
reduced on March 31, 1962, to \$25,000.00 each, and both
were released on that date under bonds in said amount,
returnable United States District Court, El Paso, Texas,
instanter.

AT LUBBOCK, TEXAS

Date April 3, 1962

At 7:18 p.m., Mrs. ROZELLE McSPADDEN, 4909 - 19th Street, advised that her husband, COLEMAN DELBERT McSPADDEN, departed from his home some 90 minutes before and was expected to return home momentarily. She was advised by SA [redacted] that a warrant had been issued for the arrest of her husband and stated that she would assist in locating him. She invited SAs [redacted] and RICHARD AVERY DYER into her home to await the arrival of her husband.

At 7:46 p.m., COLEMAN DELBERT McSPADDEN returned to his home and was placed under arrest. He requested that he be permitted to call his [redacted] and this request was granted.

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FRANK R. MURRAY, United States Commissioner, Lubbock, was telephonically advised of the arrest of McSPADDEN, and he advised that he would meet the Agents at his office at 8:15 p.m., to conduct a hearing concerning bond for McSPADDEN.

At 8:17 p.m., McSPADDEN appeared before United States Commissioner MURRAY, who advised that he felt that the recommended bond of \$500,000.00 was too high and that he would set the bond at \$250,000.00. [redacted] Attorneys-at-law, appeared at the hearing and although Commissioner MURRAY agreed to accept their signatures on a bond for McSPADDEN, they declined to sign this bond.

Upon notification by Commissioner MURRAY that McSPADDEN's attorneys declined to sign his bond, McSPADDEN was remanded to the custody of the United States Marshal in the Lubbock County Jail in lieu of bond. He was booked into this jail at 9:13 p.m.

On 3/29/62 at Lubbock, Texas File # DL 29-1096 b6
by SAs [redacted] EP 29-351 b7C
RICHARD AVERY DYER/pm Date dictated 3/31/62

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Date April 3, 1962

COLEMAN DELBERT McSPADDEN, 4909 - 19th Street, was interviewed at the Lubbock County Jail, at which time he was advised he did not have to make a statement and that any statement he made could be used against him in a court of law. He was advised of his right to consult an attorney. He stated he did not desire to discuss his business dealings with BILLIE SOL ESTES or his association with Superior Manufacturing Company, Amarillo, Texas.

The following is the physical description of McSPADDEN obtained from observation and interrogation:

Name	<u>Mrs. COLEMAN DELBERT McSPADDEN</u>	
Race	White	
Sex	Male	
Age	45	
Birth Data	3/4/17, Abernathy, Texas	
Height	5'10 $\frac{1}{2}$ "	
Weight	180	
Eyes	Gray - wears black-rimmed glasses	
Hair	Dark brown	
Scars and Marks	None	
Residence	[REDACTED] Texas.	
Wife	ROZELLE MCSPADDEN, [REDACTED]	
Children	[REDACTED]	
Mother	Mrs. RILLA MERRILL, 2107 - 36th, Lubbock, Texas.	
Brother	[REDACTED]	
Occupation	President, Consolidated Grain Company of Amarillo, Inc., Amarillo, Texas.	
Military Service	U. S. Army, June, 1940, to November, 1941; U. S. Navy, February, 1942, to October, 1945; honorable discharge.	
Arrests	None.	

On	<u>3/29/62</u>	<u>Lubbock, Texas</u>	File #	<u>DL 29-1096</u>
by	<u>SAs</u>	[REDACTED]		<u>EP 29-351</u>
		<u>pm</u>	Date dictated	<u>3/30/62</u>

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

DL 29-1096

At 8:31 p.m., March 30, 1962, FRANK R. MURRAY, United States Commissioner, Lubbock, Texas, advised SA [redacted] that he had received word from the United States Attorney, El Paso, Texas, that the bond on COLEMAN DELBERT McSPADDEN had been reduced from \$250,000.00 to \$25,000.00, and stated that McSPADDEN [redacted] had just posted the necessary \$25,000.00 bond for his release. He advised that McSPADDEN was in the process of being released from the Lubbock County Jail on this bond.

AT DALLAS, TEXAS

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On April 2, 1962, [redacted] Irion, Cain, Cocke and Magee, Attorneys-at-law, Suite 830, Mercantile National Bank Building, advised at approximately 4:40 p.m., March 30, 1962, he had filed a complaint at Amarillo, Texas, under Civil Action No. 3058, in United States District Court, Northern District of Texas, Amarillo Division, on behalf of his client, Pacific Finance Corporation, Los Angeles, California. [redacted] stated this complaint named as Defendants BILLIE SOL ESTES, individually and dba Billie Sol Estes Enterprises, Pecos, Texas; COLEMAN D. McSPADDEN and wife, ROZELLE McSPADDEN, Lubbock, Texas; HAROLD E. ORR and wife, BARBARA J. ORR, Amarillo, Texas; RUEL W. ALEXANDER and wife, GLORIA ALEXANDER, Amarillo, Texas; Superior Manufacturing Company, a corporation, Amarillo, Texas; and a number of other individuals and firms who he stated signed or otherwise executed various conditional sales contracts as accommodations to ESTES and McSPADDEN.

[redacted] stated the complaint in substance alleges Defendants ESTES, McSPADDEN, ORR, ALEXANDER and Superior Manufacturing Company commencing on or about November, 1960, conspired together and with other named Defendants to defraud Pacific Finance Corporation out of large sums of money with details of the artifice and scheme to defraud together with overt acts in furtherance thereof being set out in the complaint.

In the complaint it was stated Defendants ESTES, McSPADDEN, ORR and ALEXANDER, together with the respective wives of the latter three, had executed and delivered to

The suit alleged Defendants ESTES, McSPADDEN, et ux, ORR, et ux, ALEXANDER, et ux, and Superior, by virtue of the contracts and guarantees alleged in the suit, are jointly and severally indebted to Plaintiff as of the date of filing of the complaint in a sum not less than 2 million dollars, which sum will be increased in an amended complaint to be filed later herein.

It was alleged the said Defendants committed the acts described in the complaint and perpetrated and carried out the plan and scheme for the purpose of defrauding Plaintiff, as a result of which Plaintiff was defrauded and entitled to exemplary damages against Defendants, jointly and severally, in the sum of 2 million dollars.

The complaint further alleged Plaintiff had reason to believe Defendants ESTES and McSPADDEN used a substantial part of the proceeds derived from the sale of certain spurious conditional sales contracts to Plaintiff identified in the complaint to purchase and pay installments on certain real estate and improvements described in "EXHIBIT A" and "EXHIBIT B" attached to and made a part of the complaint.

Judgment demanded by the complaint is as follows:

1. For a temporary restraining order issued ex parte as prayed.
2. That Defendants be served with process and required to appear and answer herein as provided by law.
3. That a receiver be appointed as herein prayed.
4. That the ex parte restraining order, after hearing, be converted into a temporary injunction.
5. That a receiver be appointed as herein prayed.
6. That an auditor be appointed by the court to examine and audit the books and records of the Defendant, Superior Manufacturing Company.
7. That Plaintiff have judgment for attorney's fees as alleged.

the Plaintiff written continuing guarantees, thereby severally guaranteeing the payment of any and all sums of money due or to become due or owing by Superior together with interest thereon and any attorneys' fees specified in any evidence of indebtedness, and each agreed to pay reasonable attorneys' fees in the event suit was instituted against them to collect upon said fees and waived notice, demand and suit against the maker of any original obligation purchased by Plaintiff from Superior and also agreed to subordinate any indebtedness of Superior then or thereafter owing to them to the indebtedness of Superior to Plaintiff. For the reasons so stated, the complaint alleged said Defendants were liable to Plaintiff for the loss and damage sustained and alleged by the suit, and consequently Plaintiff was entitled to judgment against said Defendants.

It was further alleged by the suit Plaintiff had requested permission to examine the books and records of Superior as well as books and records of Defendant ESTES, which request had been denied to Plaintiff. Further, Plaintiff has reason to believe, unless the court grant a writ of temporary restraining order ex parte against the Defendants enjoining and restraining them from altering, changing, destroying, secreting or removing any and all of their books, records, files, contracts, documents and papers, same will be altered, changed, destroyed, secreted, or removed immediately upon Defendants' learning of the filing of this action and before a hearing can be had on an application for a temporary injunction. If such action was not rendered by the court, it would be impossible for Plaintiff to prove the facts alleged by the suit and, therefore, Plaintiff would suffer irreparable injury for which they would have no adequate remedy at law. In this connection, suit stated Plaintiff alleged the only way to insure justice as requested by the suit and to insure that the true facts be brought before the court is for the court to appoint a receiver to take possession of all of the records described. It was requested further the court appoint a receiver for Superior and appoint an auditor to examine and audit its books and records and direct said receiver to take over and retain possession of all of the assets of Superior and preserve same pending further orders of the court.

8. That a constructive trust in favor of Plaintiff be impressed on the real estate described in "Exhibits A and B."

9. That Plaintiff have judgment, jointly and severally, against all Defendants for all damages and costs to which it may be entitled.

10. That Plaintiff have such other and further relief as to the court may seem just and proper.

[redacted] advised in response to the above complaint the Honorable JOSEPH B. DOOLEY, Judge of the United States District Court, Northern District of Texas, Amarillo, issued a Temporary Restraining Order at 4:45 p.m., on March 30, 1962, as follows:

"IT IS ORDERED THAT the Defendants, BILLIE SOL ESTES and SUPERIOR MANUFACTURING COMPANY, and each of them, their agents, successors, deputies, servants and employees, and all persons acting by, through or under them, or either of them, or by or through their order, be, and they are hereby, restrained until the 9th day of April, 1962, from altering, changing, destroying, secreting, or removing any and all of their books, records, files, contracts, documents, and papers.

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"IT IS FURTHER ORDERED THAT the Defendants, BILLIE SOL ESTES, COLEMAN D. McSPADDEN and SUPERIOR MANUFACTURING COMPANY, and each of them, their agents, successors, deputies, servants and employees, and all persons acting by, through, or under them, or either of them, or by or through their order, be, and they are hereby, restrained until the 9th day of April, 1962, from hiding and secreting their assets and putting same beyond the jurisdiction of this Court and out of reach of Plaintiff.

"This temporary restraint is on condition that a bond be filed by Plaintiff herein in the sum of \$10,000.00, conditioned that the Plaintiff will pay to the parties enjoined such damages not exceeding the sum of \$10,000.00 as they may sustain by reason of the temporary restraining order, if the Court finally decides that Plaintiff was not entitled thereto."

Copies of the above complaint and restraining order issued by the court were made available by [redacted] as a matter of information.

F B I

Date: 3/29/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (29-28704)
FROM: SAC, EL PASO (29-351) (P)
RE: BILLIE SOL ESTES - FUGITIVE;
COLEMAN S. SPADEN - FUGITIVE;
HAROLD D. DORR - FUGITIVE;
RUEL ALEXANDER - FUGITIVE
ITSP - MAIL FRAUD, CONSPIRACY

OO: El Paso
Buded: 4/16/62

Re El Paso airtel to the Director dated March 12,
1962.

Enclosed to the Bureau are two news items appearing
on Pages 1 and 9 of the Dallas Morning News on March 28, 1962,
relative to captioned matter.

Enclosed for Indianapolis, Detroit, and Minneapolis
which have not received prior information in this case are
the following communications:

1. El Paso teletype dated March 26, 1962, to SACS,
Chicago, Baltimore, Los Angeles, and New York.

2 ENCL

REG-42

29-28704-47

3 - Bureau (Encls. 2)
2 - Baltimore
2 - Chicago
3 - Dallas (Encls. 1) (29-1096)
2 - Detroit (Encls. 3)

2 - Indianapolis (Encls. 3)
2 - Los Angeles
2 - Minneapolis (Encls. 3)
2 - New York
2 - El Paso

18 APR 2 1962

JRM/clp

(22) 1 1 1304 1 EJ

C C Wick

Approved: _____

Special Agent in Charge

Sent

FUG. SUP.

Per

SAC

EP 29-351

2. El Paso airtel dated March 27, 1962, to SACS
Baltimore, Chicago, Los Angeles, and New York.

3. A list of individuals whose names appear as
mortgage owners on any of the chattel mortgages of record.

Enclosed to Dallas is one copy of Item three which
is being forwarded to Indianapolis, Detroit, and Minneapolis.

For the information of all offices the news item
appearing on the front page of the March 28, 1962, edition of
the Dallas Morning News and being forwarded to the Bureau is
captioned "Financiers Talk Texas Operations." It states
that representatives of a dozen of the nations largest
finance companies held a closed-door, all-day meeting in
Dallas March 27, 1962, and will be continued March 28, 1962.
The purpose of the meeting was to "discuss matters of mutual
interest." The companies represented allegedly hold
mortgages signed in Texas and notes which total in excess of
twenty-two million dollars. The companies and amounts of
notes being discussed were listed in the article as follows:

<u>Finance Company</u>	<u>Amount of Notes</u>
1. Walter E. Heller and Co., Chicago (by teletype March 28, 1962, Chicago instructed to handle)	Excess of seven million
2. C.I.T., New York (by teletype March 26, 1962, New York instructed to handle)	Excess of five million
3. Pacific Finance Company Los Angeles (Los Angeles by teletype March 27, 1962, to Dallas advised all names involved in possession of [redacted] who is presently attending Dallas meeting. Dallas to handle.)	Excess of three million

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<u>Finance Company</u>	<u>Amount of Notes</u>
4. Commercial Credit Corporation Baltimore (by teletype March 26, 1962, Baltimore instructed to handle)	Excess of one and one- half million
5. Associates Investments, South Bend, Indiana	Excess of one and one- half million
6. Pioneer Finance, Detroit, Michigan	Excess of one-half million
7. First Acceptance Corporation, Minneapolis	Excess of one and one- half million

In addition the article lists the following Texas finance companies, however, no request being made for records of these companies in view of intrastate nature of transactions.

<u>Finance Company</u>	<u>Amount of Notes</u>
8. Southwest Investments, Amarillo, Texas	Excess of one-quarter million
9. Kuykendall Investment, West Texas	Excess of one and one- half million
10. Humphries Investment, West Texas	Excess of one-quarter million
11. Caprock Investments, West Texas	Excess of one-half million
12. D and M Investments, West Texas	Excess of one-half million

EP 29-351

A spokesman for the finance companies was asked by the reporter whether any anhydrous ammonio tanks were offered as security on any of the loans. The reply was "Yes, I believe there were."

BILLIE SOL ESTES of Pecos, Texas, accompanied by his [redacted] Texas, attended the afternoon session.

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The enclosed communications to Indianapolis, Detroit, and Minneapolis will give these offices background data relative to the Bureau's investigation concerning a possible violation of Section 2314, Title 18, United States Code, (Interstate Transportation of Forged or Falsely Made Securities, to wit, Chattel Mortgages and Notes).

LEADS

INDIANAPOLIS

AT SOUTH BEND, INDIANA

Will contact Associates Investments.

DETROIT

AT DETROIT, MICHIGAN

Contact Pioneer Finance.

MINNEAPOLIS

AT MINNEAPOLIS, MINNESOTA

Contact First Acceptance Corporation.

Conduct same investigation as outlined for other offices in the enclosed communications.

EP 29-351

ALL OFFICES

Buded April 16, 1962, El Paso deadline for auxiliary offices is April 6, 1962.

Confine your inquiries to transactions involving ammonia tanks only. Obtain clear copies of all chattel mortgages, notes, and other papers making up the various loan packages.

Attempt to learn when the lending agency began discounting paper for subject and or Superior Manufacturing Company and other mortgagees. Also the history behind this, that is, how did it begin and what, if any, written contracts lender has with customer. What is subject's and other mortgagees present indebtedness to the lender, status of unpaid loans and whether any in default. Did the lender verify the existence of the ammonia tanks at any time. Background data available on any of the morrgagees would be of value. Any information of value to prove that the securities contained in the various transactions were falsely made or forged and moved in interstate commerce is desired. From whom did the lender receive these securities and date. In making the loan, what did the lender rely upon.

These and other detailed requests outlined in the enclosures being forwarded herewith to Indianapolis, Detroit, and Minneapolis.

In all instances, offices should obtain the name of the proper person to subpoena for the production of the original records.

DALLAS

AT DALLAS, TEXAS

Forward all other news items pertaining to this matter to the Bureau and El Paso.

EP 29-351

AT AMARILLO, TEXAS

Through sources available discreetly obtain any information available concerning the Superior Manufacturing Company. (This company is allegedly one of subject's enterprises and manufactures anhydrous ammonia tanks. According to a chattel mortgage filed January 19, 1962, HAROLD E. ORR is president of this company.) Details relative to ownership, management, nature of business, production and etc. would be of interest. If company is incorporated, have San Antonio Division at Austin, Texas, forward El Paso copy of charter.

This inquiry should be discreet and no contact made direct with Superior Manufacturing Company.

[Redacted]

CROSBY

b7D

BILLIE SOL IN PECOS

Estes Building

Empire Worthy

of Any Texan

While the "Billie Sol Estes Enterprises" is based here in Pecos and is most evident in Reeves and Pecos counties, the far-flung operation extends well into the northern Panhandle and west into Arizona. Around most any farm organization in these areas the name of Billie Sol Estes is well known, and often discussed.

Up until two weeks ago, Estes often found time in his busy schedule for newspaper interviews, and appeared to delight in recounting his fantastic rise in the business world. Recently, he even had a number of newspaper stories reprinted in booklet form which he entitled, "SUCCESS: Christian Paradox of Holding by Letting Go."

But today Estes avoids a newspaperman.

Since Estes no longer talks, his story must be gathered from earlier news stories and from people who have known him.

Estes first came to Pecos in 1951. Some folks here say he had little more than a battered brief case then, and note that he shared an office for a while with a Pecos realtor, W. W. Teague.

(Billie Sol Estes, central figure in a dozen firms, is a Dallas representative. Tuesday, is a man whose financial operations have made him the talk of West Texas. The following story was written by Don Boyett, managing editor of the Amarillo Daily News, and published in that paper Monday.)

By DON BOYETT

PECOS — Once upon a time the name Roy Bean was the one to be reckoned with in these parts. Today, the name best known on the west bank of the Pecos is Billie Sol Estes.

At 37, Estes is probably the biggest wheeler and dealer in all of West Texas, and there's no telling how much the vast agricultural empire he built is worth.

At present he is billed as the world's largest distributor of anhydrous ammonia (the fertilizer so important in irrigated farming). He is at least in competition for the title of world's largest warehouse of grain. In addition to these he has probably more than 30 other enterprises all of which were acquired within the last 10 years.

The Dallas Morning News,
March 28, 1962
Dallas, Texas

Billie Sol Estes
ITSP - MAIL FRAUD
CONSPIRACY

El Paso, Texas

39-28704-47
ENCLOSURE

According to the earlier accounts, Estes got his first start in business when he was only 13. It was a ewe lamb a Christmas gift from his parents, who were and are Callahan County farmers.

He paid \$5 for another lamb, and by the time he was 15 the flock numbered 100.

Thinking that the bottom might sometime drop out of the wool market, Estes began preparing to diversify his interests. He sold the wool and most of his sheep for \$3,000 and bought 400 sows and feeder pigs.

At 16 he was piling up profits from his livestock operation so fast that others began to offer to help finance him if he would cut them in on his earnings. Since that time, according to an interview two years ago, Estes has had partners used their cash and made money for them and himself.

Estes estimates that by the time he was 18 he was worth some \$38,000, all traced back the initial lamb investment.

When he was 17 Estes received his first national recognition with the National 4-H Club Achievement Award.

According to earlier accounts of Estes, his first big holding was a cotton farm. He bought it on credit and started raising long-staple cotton.

Today, Estes' sprawling home is easily the largest and most impressive in Pecos. A mile west of the home is the low-slung, modern brick building where he now offices, surrounded by swarms of young aides, many of them obviously not yet in their thirties.

Between home and office is the Poco airport where Estes keeps two planes ready for business trips, including frequent trips to Washington.

In 1952 he was named among the five outstanding young men of Texas by the Junior Chamber of Commerce, and the following year was on that organization's Top Ten Young Men in the nation.

Before he was 30, earlier interviews disclose, he had made his first million dollars.

Estes came home from a wartime hitch in the merchant marine and dabbled in war surplus goods for a time before getting into agriculture.

Within a few short years after arriving here in Pecos he started his meteoric rise in the business world.

By 1958 the Billie Sol Estes Enterprises moved into the Plainview area with purchases of existing grain storage and constructional units. Today Estes has 28 million bushels of storage capacity there and lacks only four million having it brim full.

Estes also purchased an interest in the Lester Stone Chemical Co. in Plainview about that time, through which he distributed fertilizer from his Farmer's Co. of Pecos. The Farmer's Co. at one time supplied 78 dealers with anhydrous ammonia.

Other grain storage includes a 15-million-bushel unit at Tulia, another 15-million at Hereford, a large terminal at Kress and numerous "leg" elevators scattered in between. These "leg" units are located near where fields and are used for initial storage to cut down the hauling costs.

Area grain men estimate Estes has some 85 million bushels of storage in the Panhandle and South Plains.

While the fertilizer and grain storage businesses are the best known of Estes' enterprises, there are many others included in the holdings.

The Farmers Co. also sells insecticides (in fact, the company's slogan on its trucks is "You Name it, We Make it"). Also, many of the retail fertilizer points are owned entirely or in part by the Estes enterprise.

One Pecos man says Estes recently told him that he now operates 40 companies from the office out on Balmorhea Highway, near the southwest edge of town.

Some of these interests include: Fort Stockton Implement Co. (John Deere dealership), The Pecos Transit Mix, The Pecos Daily News, the Colonial Funeral Home in Pecos, Agriculture Inc., which includes some 13,000 acres of irrigated Pecos Valley farmland and interest in a cotton gin.

Interests which are now, or have been in the past, a part of the Billie Sol Estes Enterprises, include: Estex Steel Buildings of America, Farmers Ditch Lining Service, Farmers Butane Co., Kermit Dyche Warehouses, Inc., and Farmers Water Well Drilling Service and Supply.

Not all of these are owned entirely by Estes. He has many partners. However, a story published a year ago stated that Estes individually owned another 13,000 acres of irrigated land in the Pecos Valley and a dairy is also included in some of the farming operations.

According to earlier accounts of his operations, Estes Enterprises employ as many as 4,000 persons during the height of the farm season, and 400 the year around.

One of Estes' published dreams is to build grain storage facilities in India and move grain to them through another proposed terminal at Houston. This would, in his opinion, be a move toward feeding the hungry of Asia.

The son of a devout lay minister in the Church of Christ, Estes professes a strong feeling toward religion, often tying a scriptural phrase into a business activity. He is an elder in his church and a lay minister, often speaking to congregations while on business trips.

He presented the Negro Church of Christ congregation here with a neat white building and often preaches there. Estes also has served on the advisory boards at both Abilene Christian College and Lubbock Christian College, and supports various activities of the denomination.

Estes, his wife and five children (four girls and a boy) live in a big house out on the south end of Eddie Street, on what was once a part of a World War II air base.

Behind the house is a double tennis court and swimming pool. These are protected from south and west winds by an eight-foot masonry wall and the layout occupies more than half a block.

A large green lawn pushes the L-shaped home well back from the two nearby streets, and three palm trees, appearing somewhat the worse for a record cold spell this winter, tower well above the two-story home.

One part of the L is a guest house, which folks here say was built especially for a visit by former President Harry Truman who decided two days before the supposed visit not to come, after all.

One of the street sides provides a paved diagonal parking area more than 100 feet long and a wide double drive leads to the front door from both streets.

Pecos obviously has little or no zoning. Across the alley to the west of the home is a small business building housing a TV repair shop and several other small businesses. On the west side of the same block is a welding shop and the Country Club Trailer Courts.

Other homes in the area are small, modest frame structures, not at all in keeping with the grandeur of the Estes mansion. All of this is a long way from a ewe lamb Christmas present, but Billie Sol Estes has the answer to success in these words stated in an interview last year:

"You win by losing, hold on by letting go, increase by diminishing and multiply by dividing. These are the principles that have brought me success."

Financiers Talk Texas Operations

By HARRY McCORMICK

Representatives of a dozen of the nation's largest finance companies held a closed-door, all-day meeting in Dallas Tuesday with attorneys and at least one Texas businessman with vast, West Texas operations.

"Discussion of matters of mutual interest" was the only reply offered by any of the score of persons in the meeting as it adjourned for the day. It will be continued Wednesday.

Hardin Bishop, public relations man for the Pacific Finance Company, whose main office is in Los Angeles, served as a spokesman

Pecos empire builder's story
Page 9

for the finance company representatives.

"We are in a fact-finding meeting and it is too early to talk intelligently about what we are doing," he said.

He confirmed, in response to newsmen's questions, that the companies hold mortgages in Texas, and that they entered the discussions.

The companies hold notes which total in excess of \$22,000,000. The companies, and the amounts of the notes being discussed in the meetings here, are:

Walter E. Heller & Co., Chicago, in excess of \$7,000,000; CIT, New York, in excess of \$5,000,000; Pacific Finance, Los Angeles, in excess of \$3,000,000; Commercial

Credit Corp., Baltimore, in excess of \$1,500,000; Associates Investments, South Bend, Ind., in excess of \$1,500,000; Southwest Investments, Amarillo, in excess of \$250,000; Pioneer Finance, Detroit, in excess of \$500,000; Kuykendall Investment, West Texas, in excess of \$1,500,000; Humphries Investment, West Texas, in excess of \$250,000; First Acceptance Corp., Minneapolis, in excess of \$1,500,000; Caprock Investments, West Texas, in excess of \$500,000; D&M Investments, West Texas, in excess of \$500,000.

Bishop was asked: "Were there any anhydrous ammonia tanks offered as security on any of these loans?"

"Yes, I believe there were," he replied.

The Dallas meeting of finance company men was arranged by the Dallas law firm of Irion, Cain, Cocke & Magee, and Frank Cain presided. His partner, Monte Irion, was at the meeting also. Neither offered any comment on proceedings. The firm normally is on retainer for legal affairs of some of the finance companies in their business in this region.

Billie Sol Estes, accompanied by his attorney, Hobert Nelson of Lubbock, attended the afternoon session. At its close, Estes handed newsmen a slip of paper bearing the statement: "We are in a business meeting to discuss matters of mutual interest."

Estes, 37, recently was portrayed in a feature story in the Amarillo Daily News as probably the world's largest distributor of anhydrous ammonia (an important fertilizer in West Texas' irrigated farmlands) and also a large warehouse of grain and with interests in various other business enterprises connected with agriculture.

The Dallas Morning News, March 28, 1962, Dallas, Texas

Billie Sol Estes,
ITSP - MAIL FRAUD,
CONSPIRACY

El Paso, Texas

29-38704-47
ENCLOSURE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 10 1962

TELETYPE

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-10-62 4-58 PM MST JRH

TO - DIRECTOR, FBI "29-28704"

ATTN- GENERAL INVESTIGATIVE DIVISION

FROM- SAC, EL PASO "29-351" 1-P

BILLIE SOL ESTES, ET AL, ITSP DASH MAIL FRAUD, CONSPIRACY.

OO - EL PASO.

DAILY SUMMARY.

REMYTEL APRIL NINE LAST.

RECORDS OF SUPERIOR MANUFACTURING CO., AMARILLO, TEXAS, WHICH
WERE EXPECTED TODAY NOT RECEIVED. AUSA [REDACTED] STATED THAT THE
STATE ATTORNEY GENERAL-S HEARINGS, BEING HELD AT AMARILLO IN-
QUIRING INTO A POSSIBLE STATE ANTI TRUST VIOLATION WHEREIN OFFICERS
ALEXANDER AND ORR OF SUPERIOR WERE SUBPOENAED, WERE, IN ALL PROB-
ABILITY, THE REASON FOR THE DELAY.

b6
b7C

AUXILIARY OFFICES CONTINUING TO FURNISH APPROPRIATE THREE
O TWO-S AND INSERTS FOR EL PASO-S REPORT, WHICH WILL CONTAIN A
MAJOR PORTION OF THE INVESTIGATION AND BE SUBMITTED ON APRIL
THIRTEEN NEXT.

REC-19

END AND ACU PLS

7-03 PM OK FBI WASH DC
TU DISCT

29-28704-48
b7D

TO APR 12 1962

c c Cenex

11/8/62
11/16/62
4/9/62
TELETYPE

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
APR 9 1962

Mr. Tolson _____
Mr. Belmont _____
Mr. Mohr _____
Mr. Callahan _____
Mr. Conrad _____
Mr. DeLoach _____
Mr. Evans _____
Mr. Malone _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

URGENT 4-9-62 5-02 PM MST RAR

TO DIRECTOR, FBI /29-28704/ ATTN. GENERAL INVESTIGATIVE DIVISION
FROM SAC, EL PASO, /29-351/

BILLIE SOL ESTES, ET AL. ITSP DASH MAIL FRAUD, CONSPIRACY. OO EL
PASO.

DAILY SUMMARY.

REMYTEL APRIL SEVEN LAST.

ESTES, ON APRIL SEVEN LAST, FILED PETITION FOR AN ARRANGEMENT
UNDER CHAPTER ELEVEN OF THE FEDERAL BANKRUPTCY LAWS AT EL PASO. [REDACTED]

b6
b7C

[REDACTED] EL PASO NATIONAL BANK, APPOINTED AS RECEIVER AND

[REDACTED] OF EL PASO APPOINTED ATTORNEY FOR THE RECEIVER.

REPRESENTATIVE, SUPERIOR MANUFACTURING COMPANY, DUE TO ARRIVE APRIL
TEN NEXT WITH RECORDS OF THAT COMPANY NOT PREVIOUSLY MADE AVAILABLE.

TWO OTHER EXBOILER INSPECTORS OF THE SUPERIOR MANUFACTURING
COMPANY BEING INTERVIEWED RE TANK PRODUCTION. INVESTIGATION SUBSTANTIALLY
COMPLETED NEW YORK, BALTIMORE, DETROIT AND CHICAGO.

INVESTIGATION PENDING MINNEAPOLIS, SOUTH BEND AND FORT WAYNE,
INDIANA, AMARILLO, LUBBOCK, AND DALLAS, TEXAS, AS WELL AS SEVERAL POINTS
WITHIN THE EL PASO DIVISION.

END AND ACK PLS

7-07 PM OK FBI WACRAM

TU DISC PLO

ST-10

REC-9

29-28704-49
b7D

10 APR 12 1962

APR 18 1962

1101112
4/11/62

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 11 1962

TELETYPE

Wedge

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____
_____	_____
_____	_____
_____	_____

URGENT 4-11-62 4-35 PM MST JRH

TO - DIRECTOR, FBI "29-28704"

FROM - SAC, EL PASO "29-351" 2-P

BILLIE SOL ESTES, ET AL, ITSP DASH MAIL FRAUD, CONSPIRACY,
OO - EL PASO. DAILY SUMMARY.

INVESTIGATIONS TENDS TO SHOW THAT MC SPADDEN USED CAPROCK STEEL COMPANY AND ESTES USED TEXAS STEEL COMPANY ACCOUNTS TO RECEIVE PROCEEDS OF NOTE SALES. FINANCE COMPANY CHECKS WERE MADE PAYABLE TO SUPERIOR MANUFACTURING COMPANY, WHICH COMPANY IN TURN MADE THEIR CHECKS PAYABLE TO TEXAS STEEL COMPANY OR CAPROCK STEEL COMPANY. ON OCCASIONS CHECKS MADE BY SUPERIOR TO ASSOCIATED GROWERS OF HERFORD, TEXAS, WHICH IS MC SPADDENS FERTILIZER SALES COMPANY.

WHEN REMAINING RECORDS SUPERIOR MANUFACTURING COMPANY RECEIVED, IT IS EXPECTED THAT RECEIPTS FROM FINANCE COMPANIES CAN BE TRACED THROUGH THE ACCOUNTS AND THE DISBURSEMENTS, OFFSETTING EACH RECEIPT IDENTIFIED WITH A PARTICULAR LOAN TRANSACTION. THESE RECORDS NOT RECEIVED AS OF THREE FORTY FIVE P. M. MST, THIS DATE, AS EXPECTED. AUSA [REDACTED]

AWARE OF THIS

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b7c

END PAGE ONE

ST-104

REG-9

11 APR 12 1962

60 APR 18 1962 cc Cervon

PAGE TWO

NEW YORK BEING REQUESTED TO INTERVIEW [REDACTED]

b6
b7c

[REDACTED] COMMERCIAL SOLVENTS COMPANY, WHO
REPORTEDLY IS QUITE CLOSE TO ESTES, AND WHICH COMPANY ESTES IS
INDEBTED TO FOR SEVERAL MILLION DOLLARS.

NO DATE SET FOR ARRAIGNMENT OF SUBJECTS.

[REDACTED] PENDING.

b7d

END AND ACK PLS

6-41 PM OK FBI WA WS

TU DISC

REC'D 11 3 54 PM '63

REC'D 11 3 54 PM '63

E. B. T.
REC'D 11 3 54 PM '63

4/14/62

PLAIN TEXT

TELETYPE

URGENT

Wong

TO: SACS, DALLAS
EL PASO

FROM: DIRECTOR, FBI

BILLIE SOL ESTES, ET AL. ITSP, MF

REURTEL APRIL THIRTEEN, SIXTY-TWO. SINCE THE AGENT
IN CHARGE, COMPLIANCE AND INVESTIGATIONS DIVISION, U. S.
DEPARTMENT OF AGRICULTURE, DALLAS, HAS ADVISED THAT

E. E. JACOBS, ARE NOT IN A POSITION TO INFLUENCE ANY COMMODITY
PROGRAM TO BENEFIT OF ESTES, IT IS BELIEVED THAT INVESTIGATION
BY FBI CONCERNING THEM IS NOT WARRANTED. HOWEVER, SINCE
VENUE WOULD LIE IN DALLAS REGARDING ANY ACTION TAKEN BY

DALLAS SHOULD CONSULT USA IN

ACCORDANCE WITH BUREAU INSTRUCTIONS TO SEE IF HE IS OF OPINION
THAT THIS IS A MATTER TO BE HANDLED ADMINISTRATIVELY BY
DEPARTMENT OF AGRICULTURE. SUTEL USA'S VIEWS AND FOLLOW
IMMEDIATELY WITH LETTERHEAD MEMORANDA.

CWL:smg
(4)

REC- 56

22-2774-51
19 APR 16 1962

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 14 1962

TELETYPE

APR 17 1962
MAIL ROOM TELETYPE UNIT

b6
b7c

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (29-28704)

DATE: 4/12/62

FROM : SAC, WFO (87-8242) (RUC)

SUBJECT: BILLIE SOL ESTES
ITSP; MAIL FRAUD; CONSPIRACY
(OO:EP)

The files of the Passport Office, Department of State, reviewed by SA [redacted] on 4/10/62, disclose that BILLIE SOL ESTES was last issued Passport 723131 at Washington, D. C. on 12/16/57, for proposed four weeks' tourist travel to Brazil, Argentina, Chile, Peru and Panama. In his application dated 12/11/57, at Pecos, Texas, the subject stated his intention to depart from Dallas, Texas about 1/1/58, by unnamed airline, not traveling by organized tour. This Passport was valid for two years' travel to all countries except Albania, Bulgaria, Hungary, and those portions of China, Korea, and Viet-Nam under communist control.

b6
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The subject stated in his latest application that he was born on 1/10/25, at Allanreed, Texas, and his file reflects that his Birth Certificate has been seen by passport authorities. Subject's file also contains a sworn birth affidavit by his mother dated 8/25/47, in the Northern District of Texas, stating that he was born about 4/10/25, near Abilene, Texas. In a Passport application dated 3/5/45, he indicated that he was born on 1/10/25, and since this is the application in connection with which his Birth Certificate was submitted, it is undoubtedly true that that is the date appearing on the certificate. The file also contains another birth affidavit by his mother dated 10/14/57, in Texas, showing his birth on 1/10/25, at Allanreed, Texas.

2 - Bureau
2 - El Paso (29-351) T (AM)
1 - WFO
KJH:jod
(5)

REC-8
10 APR 17 1962
EX-110

29-28704-52
10 APR 17 1962
SAC

52 APR 25 1962

Subject gave his permanent residence in 1957 as 2315 South Eddy, Pecos, Texas, and his mailing address as P. O. Box 1052, Pecos. He listed his parents as JOHN L. and LILLIAN ALICE ESTES, both born at Clyde, Texas, and both then residing at Clyde. He stated that he was last married on 7/14/45 to PATSY DONDALINE ESTES, born at Sweetwater, Texas, on 1/20/30, and then residing at Pecos, Texas, marriage not terminated. The identifying witness to his 1957 application was A. B. FOSTER, JR., no relation, 1825 Jackson Boulevard, Pecos, Texas, who had known subject for 20 years. In this application he denied past or present membership in the Communist Party.

The subject was first issued Seaman Passport 5639 at Washington, D. C., on 9/28/45, on the basis of an application at New York City dated 3/5/45, at which time he was residing at Route 1, Clyde, Texas. He then had Seaman's Identification Certificate Z-586853 issued 3/3/45, at New York City.

He was next issued Passport 116365 at Washington, D. C. on 9/23/47, for proposed business travel to Colombia for two years. He stated that he was a stock farmer and was residing at Route 1, Clyde, Texas.

The following description of subject appeared in his file:

Height:	5'10 $\frac{1}{2}$ "
Hair:	Dark brown
Eyes:	Hazel
Occupation:	Farmer

Copies of subject's photo will be sent to El Paso by routing slip later.

The foregoing is submitted to the Bureau and office of origin for completion of their files concerning subject.

GENERAL INVESTIGATOR



VISION
14/62

Krutilek was a "finder" for Estes in that he located conspirator farmers. All previous reports indicated death suicide. Incoming reflects he attempted suicide but actual cause of death heart failure. No evidence that death caused by other parties.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 13 1962

TELETYPE

URGENT 4-13-62 5-30 PM MST JPM

TO DIRECTOR FBI "29-28704"

ATTENTION - GENERAL INVESTIGATIVE DIVISION
FROM SAC EL PASO "29-351" 1 P
AND OTHER Interstate Transportation of Stolen Property - *MBIL*
BILLIE SOL ESTES, ET AL, ITSP DASH ME, CONSPIRACY
Office of Origin *El Paso*
OO - EL PASO.

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

El Paso

DAILY SUMMARY.

TELETYPE

RE EL PASO TEL APRIL TWELVE LAST.

b6
b7C

NOW RESIDING LOS ANGELES, INTERVIEWED AND ADVISED THAT SUPERIOR MANUFACTURING COMPANY BUILT ABOUT TWELVE HUNDRED TANKS A YEAR DURING PERIOD JULY, NINETEEN FIFTY-SIX THROUGH SEPTEMBER, NINETEEN FIFTY-NINE. DETAILED INFORMATION BEING OBTAINED THROUGH INSURANCE COMPANIES.

RE DEATH OF GEORGE KRUTILEK - CORONER-S AUTOPSY REPORT REVEALED SEVERE CORONARY HEART DISEASE CAUSE OF DEATH. EXTENSIVE TOXICOLOGY EXAMINATION FAILED TO REVEAL ANY EVIDENCE OF CARBON MONOXIDE HEMOGLOBIN. KRUTILEK DIED BEFORE HE COULD REALIZE HIS SUICIDAL INTENT. NO EVIDENCE OF VIOLENCE FROM OUTSIDE PARTY.

BARRING SIGNIFICANT DEVELOPMENTS, NEXT DAILY SUMMARY WILL BE SUBMITTED APRIL SIXTEEN NEXT. REC-15

29-28704 54

b7D

END AND ACK PLS

7-36 PM OK FBI WA MLL *101*

TU DISC *53* APR 23 1962

5 APR 17 1962

JK 9²¹
4/13/62 v/p

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 13 1962
TELETYPE

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

URGENT 4-13-62 7-40 PM MST DRH

TO DIRECTOR, FBI "29-28704" AND SAC, MINNEAPOLIS
FROM SAC, EL PASO 29-351" 1 PAGE

BILLIE SOL ESTES, ET AL, ITSP DASH MF, CONSPIRACY. OO, EL PASO
REPORT COVERING ALL INVESTIGATION TO DATE BEING MAILED THIS DATE.
MINNEAPOLIS IS INSTRUCTED TO FORWARD EL PASO THREE ZERO TWOS AND
EXHIBITS AND NOT SUBMIT A REPORT AS PREVIOUSLY INSTRUCTED.

EL PASO WILL INCORPORATE MINNEAPOLIS INVESTIGATION IN A SUBSEQUENT
REPORT TO BE SUBMITTED.

END AND ACK PLS

WA 8-55 PM OK FBI WA MLL

OK FBI MP WMW

TU DISC 33 APR 23 1962

REC-15

cc: Carson

5 APR 17 1962

b7D

29-28704-55

DECODED COPY

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

xxx Radio

□ Teletype

URGENT 4-13-62

TO DIRECTOR AND SAC EL PASO

FROM SAC MINNEAPOLIS

131750N 124W

BILLIE SOL ESTES - FUGITIVE, ET AL. ITSP - MAIL FRAUD,
CONSPIRACY.

IN ORDER TO FACILITATE REPORTING, MINNEAPOLIS WILL
 SUBMIT A SEPARATE REPORT COVERING LOAN PACKAGES AT FIRST
 ACCEPTANCE CORPORATION. DUE TO THE FACT THAT PERSONNEL
 OF FAC HAVE BEEN IN TEXAS AND LOAN DOCUMENTS WERE NOT
 IMMEDIATELY AVAILABLE, THE REPORT WILL BE SUBMITTED TO
 REACH THE BUREAU AND EL PASO BY APRIL 19 NEXT.

RECEIVED: 2:11 PM VLH

REC-21 29-28704-56

16 APR 17 1962

CC--MR. ROSEN

5 APR 17 1962 109

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Rosen

DATE: April 18, 1962

FROM : W. B. Welte

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

SUBJECT: BILLIE SOL ESTES
 INTERSTATE TRANSPORTATION
 OF STOLEN PROPERTY

SLW

In regard to the lead set forth by the Washington Field Office to interview Emery Jacobs in Oklahoma City, Okla. I called SAC Teague and told him that this case must receive top priority. The lead was to be covered today and a teletype summary submitted as soon as the interview was concluded. Teague assured me that this would be handled most expeditiously.

WBW:ige
 (6)

*Y**REC.**24-28704-57**APR 19 1962**RECORDED**109**60 APR 23 1962*

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 12 1962

TELETYPE *ML*

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Quinn
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

*b6 Cver 1/11
b7C 3
b7D*
URGENT 4-12-62 1-25 PM CST JVW
TO DIRECTOR, FBI /29-28704/ AND SAC, EL PASO /29-351/
FROM SAC, DALLAS /29-1096/ 2P
BILLIE SOL ESTES, ET AL, ITSP-MF., CONSPIRACY. OO EP. RE DALLAS
TEL TODAY.

SUPPLEMENTING INFO IN RETEL,

DALLAS, CONFIDENTIALLY ADVISED TODAY AT COURT OF
INQUIRY CONDUCTED BY TEX. AG WILL WILSON, TESTIMONY OFFERED

NEIMAN-MARCUS, THAT ON SEPTEMBER
EIGHT LAST, ESTES APPEARED AT STORE IN COMPANY OF TWO

INDIVIDUALS IDENTIFIED AS

OVERHEARD CONVERSATION AMONG THESE INDIVIDUALS *29-28704-58*

WHICH INDICATED WERE OFFICIALS OF U. S.
EX-116 DEPARTMENT OF AGRICULTURE. *REC-14* 25 APR 18 1962

ON THIS OCCASION WERE FITTED WITH
EXPENSIVE SUITS VALUED AT TWO HUNDRED FORTYFIVE DOLLARS EACH
SIZES FORTYONE AND FORTYEIGHT REGULAR, WHICH, SUITS PER INSTRUCTIONS
OF ESTES ~~WERE~~ CHARGED TO HIS ACCOUNT MAINTAINED AT THE STORE.

END PAGE ONE
604 APR 23 1962 109

PAGE TWO

WAS INSTRUCTED BY ESTES NOT TO PERSONALIZE SUITS WITH NAMES OF [REDACTED]

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b7C

b7D

[REDACTED] ON INSIDE COAT LABEL AS IS THE CUSTOM OF THE STORE.

FURTHER INSTRUCTED BY ESTES TO MAIL SUITS CARE OF HIM -ESTES- AT HOTEL WASHINGTON, WASHINGTON, D. C., WHICH WAS DONE.

ADDITIONALLY, [REDACTED] TESTIFIED HIS CLIENTELE BOOK REFLECTS A SALE TO [REDACTED] ON OCTOBER TWENTYFIVE LAST, AT WHICH TIME TWO SUITS WERE PURCHASED AT TWO HUNDRED FORTY FIVE DOLLARS EACH, ONE SPORT COAT AT ONE HUNDRED NINETYFIVE DOLLARS, AND TWO PAIR OF SLACKS AT SIXTYFIVE DOLLARS EACH.

[REDACTED] STATED [REDACTED] ON THIS DATE WENT INTO FITTING ROOM TOGETHER AND [REDACTED] CAME OUT WITH MONEY IN HAND AND PAID FOR PURCHASES IN CASH.

TESTIMONY ALSO OFFERED BY [REDACTED] THAT HE GAINED THE IMPRESSION THAT MR. ORVILLE FREEMAN, SECRETARY OF AGRICULTURE, WOULD BE IN THE STORE. [REDACTED] TESTIFIED THAT HE NEVER DID SEE MR. FREEMAN AND DID NOT KNOW WHETHER HE HAD GONE TO THE STORE.

BUREAU WILL BE ADVISED IN THE EVENT ANY ADDITIONAL GOVERNMENT EMPLOYEES IDENTIFIED AT HEARING.

[REDACTED]
END ACK IN O

WA 2-31 PM OK FBI WASH 337HJS

EP OK FBI EP ST

TU DISC VO

601
WED-LEFT 1/6 1968

4/13/62

PLAIN TEXT

TELETYPE

URGENT

TO SAC'S, DALLAS
 EL PASO REC-14
FROM DIRECTOR, FBI 24-1701-59
RE BILLIE SOL ESTES, ET AL, ITSP; MF.

THERE DOES NOT APPEAR TO BE ANY ALLEGATIONS OF BRIBERY TO DATE, IN THAT IT IS NOT CHARGED THAT AGRICULTURE EMPLOYEES DID ANYTHING WITHIN THE SCOPE OF THEIR OFFICIAL DUTIES IN RETURN FOR THE GIFTS FROM ESTES.

ACCORDINGLY, DALLAS SHOULD ASCERTAIN THE NATURE AND VALUE OF THE GIFTS FROM NEIMAN-MARCUS AND WHETHER THE AGRICULTURE PERSONNEL WERE IN A POSITION TO ASSIST ESTES IN HIS OPERATIONS.

THEREAFTER, THE USA SHOULD BE CONSULTED TO SEE WHETHER HE FEELS THE FACTS ARE SUFFICIENTLY INDICATIVE OF A VIOLATION TO WARRANT FBI INVESTIGATION AT THIS TIME, OR WHETHER HE BELIEVES THE AGRICULTURE DEPARTMENT SHOULD CONTINUE ITS ADMINISTRATIVE INQUIRY IN THE MATTER. SUTEL AS SOON AS USA'S VIEWS OBTAINED AND FOLLOW IMMEDIATELY WITH LETTERHEAD MEMORANDA SUITABLE FOR DISSEMINATION TO DEPARTMENT, CSC, AND AGRICULTURE.

THUR:mc

(4)

MAIL ROOM TELETYPE UNIT

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 13 1962
TELETYPE

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 12 1962

TELETYPE

URGENT 4-12-62 5-00 PM MST IJP

TO - DIRECTOR, FBI "29-28704"

ATTENTION - GENERAL INVESTIGATIVE DIVISION

AND SAC, DALLAS "29-1096"

FROM - SAC, EL PASO "29-351" 2-PAGES

Mr. Tolson
Mr. Belmont
Mr. Micht
Mr. Callahan
Mr. Coffey
Mr. Dillie
Mr. Glavin
Mr. McCoy
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

① BILLIE SOL ESTES, ET AL, ITSP - MIAL FRAUD, CONSPIRACY. OO - EL PASO.

RE DALLAS TELS THIS DATE.

DAILY SUMMARY.

INTERVIEW WITH GLENN ALEXANDER, PURCHASER, SCHEDULED AT PECOS
APRIL SEVENTEEN, NEXT. AT SAME TIME IN PECOS, ATTEMPT WILL BE MADE
[REDACTED]

b6
b7c

TO INTERVIEW ESTES.

AND TURNED OVER TO USM TWO LARGE BOXES OF JOB ORDERS AND THEIR
GENERAL LEDGER COVERING PERIOD MAY, NINETEEN SIXTY, THROUGH PRESENT.

IN BRIEF CONVERSATION HAD [REDACTED] STATED HE WAS [REDACTED]

FOR SUPERIOR MANUFACTURING CO. AND WAS MERELY INSTRUCTED TO BRING
PAPERS THAT HE DOES NOT HAVE ANY IDEA

THESE RECORDS TO EL PASO. HE STATED THAT HE DOES NOT HAVE ANY IDEA
TO THE LOCATION OF THE CASH BOOK, VOUCHERS, OR GENERAL LEDGER

AS TO THE LOCATION OF THE CASH BOOK, VOUCHERS,
FOR PERIOD PRIOR TO MAY, NINETEEN SIXTY. HE STATED THAT HE HAS

FOR PERIOD PRIOR TO THIS
LOOKED FOR THESE RECORDS WITHOUT ANY SUCCESS. AUSA [REDACTED] ADVISED.
DECEMBER 14

END PAGE ONE

25 APR 18 1962

cc Cervon

PAGE TWO

NO NEW PROSECUTIVE DEVELOPMENTS IN EL PASO.
SUGGEST BUREAU AND DALLAS SERIOUSLY CONSIDER HANDLING MATTER
IMPLYING BRIBERY BY ESTES OF DEPT. OF AGRICULTURE EMPLOYEES AS
SEPARATE MATTER FROM ITSP - MAIL FRAUD, CONSPIRACY.

REPORT CONTAINING ALL INVESTIGATION TO DATE WILL GO FORWARD
FRIDAY, APRIL THIRTEEN, NEXT.

[Redacted]

b7D

END AND ACK PLS

EA 7-08 PM OK FBI WA LVS

DL OK FBI DL FLL

TU DISCV

APR 18 1968
FBI - MEMPHIS
REC'D-141-11641

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 16 1962

TELETYPE

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Callahan
Mr. Conrad
Mr. DeLoach
Mr. Evans
Mr. Malone
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

~~URGENT~~ 4-16-62 5-05 PM MST RAR

TO DIRECTOR, FBI /29-28704/ AND SAC, DALLAS
FROM SAC, EL PASO /29-351/

BILLIE SOL ESTES, ET AL, ITSP, MAIL FRAUD - CONSPIRACY. 00 EL PASO.

DAILY SUMMARY.

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b7c

REMYTEL APRIL THIRTEEN LAST.

INTERVIEW BEING HAD AT EL PASO WITH

SCHEDULED FOR INTERVIEW APRIL SEVENTEEN NEXT AT PECOS, TEXAS ARE
GLEEN ALEXANDER, FARMER, [REDACTED] ESTES, AS WELL AS
OFFICIALS OF FIRST NATIONAL BANK.

[redacted] ESTES MATTER, ADVISED TODAY THAT HE IS JUST GETTING ORGANIZED AND IS TAKING NECESSARY ACTION TO OBTAIN RECORDS OF ESTES ENTERPRISES PRESENTLY IN POSSESSION OF TEXAS ATTORNEY GENERAL.

ESTES, AT MIDLAND, TEXAS, WILL CALL FBI,
EL PASO, ON MORNING OF APRIL SEVENTEEN NEXT REGARDING ARRANGEMENTS FOR
THIS INTERVIEW.

END AND ACK PLS

DL OK FBI DL TEW

WA 8-12 PM OK
APR 11 1969
TU DISC PLS 109

ST-1048 10 REG-13
1511

13 APR 18 1962

George C. Carson

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE OKLAHOMA CITY	OFFICE OF ORIGIN EL PASO	DATE 4/18/62	INVESTIGATIVE PERIOD 4/18/62
TITLE OF CASE BILLIE SOL ESTES, ETAL		REPORT MADE BY SA(A)	TYPED BY CSI b6 b7C
		CHARACTER OF CASE ITSP; MF	

REFERENCE: WFO teletype to Director and SACs Dallas, El Paso, and Oklahoma City dated 4/18/62.

- P -

LEADS

OKLAHOMA CITY DIVISION

Will follow and report attempt to interview EMERY E. JACOBS on JACOBS' return to Oklahoma City from Texas Court of Inquiry.

ADMINISTRATIVE:

Two extra copies this report being furnished the Bureau in the event dissemination deemed desirable and appropriate by the Bureau.

Information copies this report designated for Dallas and WFO in view of current interest and indication of EMERY JACOBS' presence in Dallas and WFO Divisions in the near future.

APPROVED JOT/4	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:			
3 - Bureau 1 - Dallas (Info) 2 - El Paso 1 - WFO (Info) (87-8242) 2 - Oklahoma City (87-7903)		11 APR 20 1962 REC- 70	
52 MAY 7 1962 4-26-62 TUE HOW FWD. BY		65 REC- 30	
DISSEMINATION RECORD ON ATTACHED REPORT		NOTATIONS	
AGENCY.....	1 (cont'd) Sept.	STAT/SECT.	
REQUEST RECD.	4-26-62	SIX	
DATE FWD.	TUE	100 3/8/62	
HOW FWD.	100 3/8/62	100 3/8/62	
BY		A*	

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA(A)
Date: 4/18/62

Office: Oklahoma City

b6
b7C

Field Office File No.: OC 87-7903

Bureau File No.:

Title: BILLIE SOL ESTES, ETAL

Character: INTERSTATE TRANSPORTATION OF STOLEN PROPERTY;
MAIL FRAUD

Synopsis: EMERY E. JACOBS advised he was currently under invitation to appear before Texas Court of Inquiry, Dallas, Texas., on 4/20/62. JACOBS declined interview, on advice of attorney, until after return to Oklahoma City following appearance before Texas Court of Inquiry. Background and descriptive data set forth.

- P -

DETAILS:

Date April 18, 1962

EMERY E. JACOBS, 1905 N.W. 31st Street, Oklahoma City, Oklahoma, was advised he did not have to furnish information, any information he did furnish could be used against him in a court of law, no threats or promises would be made to induce him to furnish information and he had a right to an attorney.

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b7C

After being placed under oath, JACOBS advised he was not feeling well and currently under "invitation" to appear before State of Texas Court of Inquiry. Invitation for appearance signed by Texas Attorney General WILL WILSON.

JACOBS advised the nature and extent of inquiry was not known to him and on advice of his Oklahoma City [redacted] [redacted] he did not desire to be interviewed concerning himself, ESTES, or his knowledge concerning any matter with reference to his former employment or associates until after he returns from the Texas Court of Inquiry, which is scheduled for April 20, 1962. JACOBS stated he desired to further discuss this matter with his attorney and would contact the Oklahoma City Office immediately after returning from Texas.

JACOBS advised after returning from Texas, he expects to go to Washington, D.C., to close his apartment and settle a few business affairs but would advise the Oklahoma City Office as to his availability for interview prior to leaving for Washington, D.C.

JACOBS stated he wanted to make one comment to the Oklahoma City Office Agents, that being that newspaper publicity which he had read made it appear the chief question at this point was whether or not ESTES had, or had attempted to bring undue influence to bear on Agriculture Stabilization and Conservation Service personnel. JACOBS stated even if he had been inclined to give preferential treatment to ESTES, such would not have been possible in view of the channels such matters necessarily followed.

JACOBS advised, as to his not feeling well, his state of health was good except that he was physically exhausted and he fully expected to be able to appear before the Texas Court of Inquiry on April 20, 1962, at Dallas, Texas.

On 4/18/62 at Oklahoma City, Oklahoma File # OC 87-7903
SAs [redacted]
by EUGENE F. PETRAKIS:csi Date dictated 4/18/62

OC 87-7903

The following background and descriptive data was furnished by JACOBS concerning himself at the time of interview:

Name	EMERY E. JACOBS
Race	White
Sex	Male
Born	1/10/07, Prior, Okla.
Residence	1905 N.W. 31st St., Oklahoma City, Okla. (1947 to present); Telephone: JA 8-4533 (temporary residence in Washington, D.C., as necessitated by work)
Height	5'10-1/2"
Weight	215-220
Hair	Red, graying
Eyes	Blue (glasses)
Employment	U.S. Dept. Agriculture (ASCS), 4/61 to present (short time as consultant before above) Self-employed - campaign work (Sen. ROBERT KERR) during KENNEDY-JOHNSON campaign, 1959-1960 National Farmers Union, Assistant to the President, JAMES E. PATTON, headquartered in Oklahoma City, Okla., 1953-1959 (National Headquarters in Denver, Colo.) Dept. of Agriculture, Area Director, Southwest Area (covered 9 southwest states), 1953 (8 years)
Education	Oklahoma State University; graduated from Oklahoma A&M; BS degree in 1929; MS degree in 1930.
Arrest record	Minor traffic
Military service	U.S. Army, 1943-1944; U.S. Navy, 1944-46; NSN 382-333, Released to Inactive Reserve
Marital status	Married; wife, MARY ELIZABETH JACOBS, nee HOUSTON
Mother	Mrs. CLARA E. JACOBS, Warner, Okla.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Mohr

FROM : C. D. DeLoach

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

DATE: April 18, 1962

Tolson
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

E3-1

rk

I reported in an earlier memorandum this afternoon, in connection with the same case, that the Vice President had emphatically denied the allegation that captioned subject on one occasion had given him a twin engine plane. It was also reported that the Vice President and his Executive Assistant, Walter Jenkins, wanted me to see them at 6 p. m. this afternoon.

Upon seeing Jenkins at 6 p. m., I was told that the Vice President had been called out; however, he had specifically instructed Jenkins as to what to indicate in this matter.

Jenkins stated that the Vice President once again wanted to deny that he had ever had any dealings whatsoever with Estes. The Vice President also desired to make it a matter of record that anyone that had put out a malicious rumor or lie of this particular nature should definitely be considered for prosecution. Jenkins stated that undoubtedly the person that reported this information had an ulterior motive.

Jenkins advised that the plane in question was purchased from the Brazos-Tenth Street Corporation, Austin, Texas. For a while it was leased on a part-time basis to the Democratic National Committee, and on a part-time basis to the Office of the then Senator Johnson before the Senator purchased it outright.

Mr. Jenkins stated he wanted to reiterate once again that Mrs. Lady Bird Johnson had never heard of the Commercial Solvent Company which she was *an* alleged to have bailed out of financial difficulty. He further added that Mrs. Johnson had never met nor heard of subject Estes except through reading about him recently in newspapers.

ACTION:

ST-104

It is suggested that this memorandum be forwarded to the General Investigative Division for appropriate attention.

REC-1329-2870-f-660

22 APR 20 1962

1 - Mr. Belmont
1 - Mr. Rosen
1 - Mr. Evans
1 - Mr. Jones

CDD:jcs (6)

SIX

The Attorney General 1 - Mr. Belmont
1 - Mr. Rosen
1 - Mr. Malley
1 - Mr. Welte
1 - Mr. Curran

April 19, 1962

Director, FBI

REC-13
29-23704-66
BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

We have talked with Secretary of Agriculture Orville Freeman and have obtained information from the office of Vice President Lyndon B. Johnson. For your ready reference the information obtained is being set forth.

In arranging an appointment with the Vice President, Mr. C. D. DeLoach talked with Mr. Walter Jenkins, Executive Assistant to the Vice President, at 4:15 p. m. on April 18, 1962. Mr. Jenkins was advised that an allegation had come to our attention in the course of our investigation indicating that Billie Sol Estes had on one occasion given the Vice President a twin-engine plane. It was indicated that this plane was later involved in a crash which killed the pilot and copilot.

Mr. Jenkins was also advised that a second matter, which it was desired be brought to the attention of the Vice President, concerned a reference to Mrs. Lady Bird Johnson. It was alleged that at one time Commercial Solvent Company had gotten into serious financial trouble and was "bailed out" by Mrs. Johnson.

Due to the Vice President's unavailability, Mr. Jenkins advised Mr. DeLoach that he would wish to immediately contact the Vice President and advise him of the matter without delay. Mr. Jenkins indicated that he wished the record to show the Vice President hardly knew Estes. He indicated that possibly the Vice President met Estes at a State Democratic Convention in Texas on one occasion and that he had never known him at all until January, 1962, when Estes came to Washington to attend a Democratic dinner.

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach
Evans AR:mpd (12)
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Note: Cover memo Belmont from Rosen 4/19/62

RECD 4/19/62
re same subject.

67 APR 26 1962

The Attorney General

Mr. Jenkins mentioned that the twin-engineplane in question cost approximately \$225, 000 and was ordered and paid for by the then Senator Johnson. He pointed out that as a matter of fact the insurance money received as a result of the fatal crash allowed the Vice President to complete total payments for the plane. Mr. Jenkins wanted it made clear that Vice President Johnson had not known Estes at the time the plane was purchased. He also stated that Mrs. Johnson never heard of the Commercial Solvent Company and, as a matter of fact, only knew Estes through reading about him in the newspapers.

According to Mr. Jenkins, the Vice President on one occasion had sent Estes an autographed photograph at the specific request of Estes. He also said that no importance should be attached to this fact inasmuch as the Vice President sends out fifty autographed photographs per day and, as a matter of fact, sends them out to anyone who asks for them.

Following receipt of the above information from Mr. Jenkins, he called Mr. DeLoach at 5:00 p.m. on April 18, 1962, and stated that he and the Vice President would like to see Mr. DeLoach at 6:00 p.m. He stated that although the above facts were absolutely true, they would like to talk with Mr. DeLoach for a few minutes.

At 6:00 p.m. Mr. DeLoach called upon Mr. Jenkins and was advised that the Vice President had been called out; however, he had specifically instructed Mr. Jenkins to advise Mr. DeLoach of the information which is recounted hereinafter:

Mr. Jenkins stated that the Vice President once again wanted to deny he had ever had any dealings whatsoever with Estes. The Vice President also desired to make it a matter of record that anyone who had put out a malicious rumor or lie of this particular nature should definitely be considered for prosecution. Mr. Jenkins indicated that undoubtedly the person who reported this information had an ulterior motive.

With reference to the airplane, Mr. Jenkins stated that the plane in question was purchased from the Brazos-Tenth Street Corporation, Austin, Texas. It was leased for a period of time on a part-time basis to the Democratic National Committee and on a part-time basis to the office of the then Senator Johnson. This arrangement was in effect before the Senator purchased it outright.

Tolson _____
Belmont _____
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Tele. Room _____
Holmes _____
Gandy _____

The Attorney General

Mr. Jenkins desired to reiterate that Mrs. Lady Bird Johnson had never heard of the Commercial Solvent Company which she was alleged to have "bailed out" of financial difficulty. He further stated Mrs. Johnson had never met nor had she heard of Estes except through her having read about him recently in the newspapers.

In connection with the allegations concerning Secretary of Agriculture Orville Freeman, to the effect that he had received a vicuna suit and two pairs of alligator shoes from Estes, Mr. Freeman was interviewed concerning this matter at 6:10 p. m., April 18, 1962.

Upon being advised of the allegations which had been brought to our attention, he stated the information we had received was "a goddam lie." He said he had met Estes on one occasion and this occurred in the Secretary's reception room. On this occasion he shook hands with Estes and had nothing more to do with him. The Secretary expressed the view that a disgruntled Department of Agriculture employee might resort to spreading such untrue allegations as a means of expressing his grievance.

Our Special Agent Bernard A. Wells was present in Secretary Freeman's office at the time a call was placed to your office. The Secretary was overheard to state that he felt the information which had been brought to his attention might be some political trick to embarrass the Administration, particularly in Texas.

Upon completion of the interview, Secretary Freeman expressed his appreciation for having been furnished the information and stated he wanted to make it clear that there was not a word of truth to the allegation.

The above interviews are set forth in detail as it was thought you might wish to have a complete picture concerning the contacts which were made.

In view of the above denials, no further inquiries are being made concerning these allegations unless contrary instructions are received.

1 - The Deputy Attorney General

1 - Mr. Herbert J. Miller, Jr.
Assistant Attorney General

UNITED STATES GOV

Memorandum

TO : Mr. Rosen *Rosen*

FROM : W. B. Welte

SUBJECT: BILLIE SOL ESTES
ITSP - BRIBERY

DATE: April 17, 1962

Tolson _____
Belmont _____
Mohr _____
Callahan _____
Conrad _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

This is to record for the file the action taken in connection with the captioned matter.

DALLAS OFFICE

SAC Curtis O. Lymun was contacted telephonically at 2:30 pm, 4/16/62. He was instructed that this case must be given the highest priority, that sufficient man power should be assigned to handle all leads on an expedite basis, that the Bureau was to receive daily teletypes, that all leads were to be set out by teletype and that a report should be in the Bureau by Monday, April 23, 1962.

He was instructed to interview all persons involved with the obtaining of gifts from Estes to government employees. It was pointed out that the IRS Office in Dallas had additional information which should be obtained together with the income tax returns of any subjects.

Dallas was also instructed to coordinate with the El Paso Office in arranging an interview of Estes.

WASHINGTON FIELD OFFICE

SAC Marlin W. Johnson was contacted telephonically at 3:00 pm, 4/16/62. He was advised of the importance of this case similarly to the advice given to Dallas above. He was advised that the Bureau would furnish him the names of appropriate contacts in the Department of Agriculture and immediate investigation on all allegations concerned in this matter should be instituted. Supervisor Nanna was subsequently furnished background and data re persons to contact in the Department of Agriculture.

DEPARTMENT OF AGRICULTURE

29-113 REC-24

29-28704-68

SA [redacted] contacted the Department of Agriculture and was subsequently advised that the officials who would assist in this investigation was [redacted]

was advised by the Department of Agriculture that its investigation would be stopped immediately, that [redacted]

[redacted] is being fired for insubordination in that he hadn't reported for five days despite telephonic contacts and letter sent to him.

APR 19 1962

TWC:jm;imc

109

XEROX
APR 20 1962

52 APR 25 1962

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Memo to Rosen

RE: BILLIE SOL ESTES

DEPARTMENT OF JUSTICE

The Department of Justice has been receiving reports in this investigation which are being sent to the attention of [redacted] is aware both from the Department of Agriculture with whom he has been in contact and by acknowledgement from the Bureau that the investigation will not be limited to the present indictment but will also include determination as to whether or not bribery and/or conflict of interests violations have occurred.

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b7C

ACTION:

None, information for file.

W

ADDENDUM BY W. B. WELTE:

ASAC Spencer, El Paso; ASAC Clark, Dallas; and ASAC Howell, Washington Field Office, were contacted today, 4/17/62, and I again impressed upon them the necessity to go all out in this investigation to insure that all leads are handled with dispatch and that sufficient manpower is assigned this investigation to meet the Bureau deadline of 4/23/62.

The Attorney General

REC-11
April 18, 1962
4764-69

Director, FBI

**BILLIE FOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY**

The captioned subject and three of his associates have been indicted for the interstate transportation of fraudulent securities. The confidential source who gave us the original information which resulted in the arrest and indictment of Estes and his associates has now furnished additional allegations.

He alleges that there is proof available through sales tickets that a vicuna suit and two pairs of alligator shoes valued at \$640 were paid for by Estes with one-hundred-dollar bills and the sales slip is made out to Orville Freeman.

It is also alleged that Estes gave a twin-engine plane to Lyndon B. Johnson and that this plane was involved in a crash which killed the pilot and co-pilot, both Johnson employees.

It is felt that prior to investigating these matters that both Mr. Freeman and Mr. Johnson should be personally advised of the allegations and this action will be taken.

1 - The Deputy Attorney General

1 - Mr. Herbert J. Miller, Jr.
Assistant Attorney General

1 - Mr. DeLoach

1 - Mr. Mohr

1 - Mr. Evans

TWC:ige

(13) 18 10 13 11 15

NOTE COVER MEMO ROSEN TO BELMONT 4/18/62 TWC:ige

52 APR 1962

CALL ROOM

TELETYPE UNIT

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: 4/18/62

FROM : C. A. Evans

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

✓
Folsom
Belmont
Mohr
Callahan
Conrad
DeLoach
Evans
Malone
Proster
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

Cutter

✓
pk 3 3-1

The Director's memorandum today to the Attorney General was personally delivered. He exhibited keen interest in the information reported and was pleased at both the fact we were advising Vice President Johnson and Secretary Freeman, plus the fact we were proceeding with the investigation. The Attorney General regards this case as being of particular importance and asked he be kept advised of developments.

The Attorney General also raised the question of whether action shouldn't be taken also on the "phony story" related by Congressman Anderson which was publicized in the newspapers yesterday. I told the Attorney General that the story as we knew it, according to the press, was that Anderson had sold stock in a private mining concern to Estes; that there was no information which indicated the violation of any federal law. The Attorney General said he thought the possibility of inquiring into this should be thoroughly explored with Assistant Attorney General Miller of the Criminal Division. He added that if there is any basis for investigating the stock transaction he felt this too should be undertaken.

~~Only if there would be a violation of a Fed. Statute under our business jurisdiction.~~
Since Assistant Attorney General Miller and I are traveling together to Chicago this evening, I will pass along to him the Attorney General's comment and we will await advice from the Criminal Division before taking any action concerning the Congressman Anderson stock transaction.

Other investigation concerning the Department of Agriculture and other phases of this case are, of course, being expedited.

1 - Mr. Mohr
1 - Mr. DeLoach
1 - Mr. Rosen

CAE:maw
(7)

REC-44

29-2-5 10-4-1-69

APR 20 1962

Cutter
Stevens

UNITED STATES

Memorandum

TO : Mr. Belmont

DATE: April 18, 1962

FROM : A. Rosen

SUBJECT: BILLIE SOL ESTES
INTERSTATE TRANSPORTATION
OF STOLEN PROPERTY

Tolson _____
 Belmont _____
 Mohr _____
 Cullahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

This is to recommend that the attached letter which sets out allegations that the Secretary of Agriculture and the Vice President received relatively expensive gifts from Estes, be hand-delivered.

The original complainant is

Texas

b7D

[redacted] Texas. we are concealing his identity in order to complete our investigation of his allegations without his being interviewed by other persons, noting that this case has received tremendous coverage by the press and now Life Magazine is following it closely.

ACTION

1. It is recommended that this letter be hand-delivered to the Attorney General in view of the allegations contained therein.

4/18

2. It is recommended that Vice President Johnson be personally contacted by the Crime Records Division, advised of the allegation, and any information solicited which may shorten our investigation of this matter. Also similar action should be taken by Liaison Section in connection with Secretary of Agriculture Freeman.

OK

3. After Johnson and Freeman are contacted, investigation to run out the allegations will be conducted as a matter of the highest priority in all offices involved.

Enclosure

1 - Mr. DeLoach
 1 - Mr. Mohr
 1 - Mr. Evans

TWC:ige (9)

REC-49

✓
 29-28904-70
 4 APR 20 1962

APR 18 1962
 67 APR 26 1962
 334

W. COOPER
 SVA